

**Community Affairs  
Legislation Committee**

**Examination of Budget Estimates 2003-2004**

**Additional Information Received**

**VOLUME 2**

**FaCS Output Groups: 2.1, 2.2, 3.1, 3.2, 3.3, 3.4**

**FAMILY AND COMMUNITY SERVICES PORTFOLIO**

**NOVEMBER 2003**



Note: Where published reports, etc. have been provided in response to questions, they have not been included in the Additional Information volume in order to conserve resources.

## **ADDITIONAL INFORMATION RELATING TO THE EXAMINATION OF BUDGET EXPENDITURE FOR 2003-2004**

Included in this volume are answers to written and oral questions taken on notice  
relating to the budget estimates hearings on 4 and 5 June 2003

### **FAMILY AND COMMUNITY SERVICES PORTFOLIO**

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**Output Group: 2.1**

**Question No: 83**

**Topic: National Homelessness Strategy**

**Hansard Page: CA 420**

**Senator Allison** asked:

National Homelessness Strategy –

- (a) How many staff are there employed in coordinating homelessness issues in FaCS?
- (b) They have been employed since when?

**Answer:**

Six staff have been employed in coordinating the National Homelessness Strategy since 2001-02.

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**Output Group: 2.1 Housing Support**

**Question No: 84**

**Topic: National Homelessness Strategy**

**Hansard Page: CA420 Written question on notice**

**Senator Allison** asked: Of the \$6 million in budget, how much has been expended?

**Answer:** A total of \$8,682,000 has been allocated to the National Homelessness Strategy over the four years 2000/01 to 2003/04. To the end of May 2003, \$4,406,090 has been expended.

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**Output Group: 2.1**

**Question No: 99**

**Topic: Homelessness Research**

**Hansard Page: CA 439 Written question on notice**

**Senator Allison** asked:

Can you indicate what housing and homelessness related research consultancies and other work was commissioned for 2002-03 and is planned for 2003-04?

**Answer:**

**2002-03**

**Concluded Projects**

- Homeless Aboriginal People
  - funding to run Indigenous Homelessness Forum Melbourne, Mar 03
- Support Program (YOSP): This project aimed to prevent youth homelessness by supporting young people make the transition from juvenile detention to family/community life. Two projects funded: one in Tasmania auspiced by Anglicare named the Young Offenders Support Program (YOSP) and one in WA named Youth Action Housing Options (YAHO) auspiced by South East Metropolitan Youth Action (SEMYA).
- National Homelessness Conference (Australian Federation of Homelessness Organisations)
- A systematic review of primary studies of pathways into homelessness (Australian Housing & Urban Research Institute)
- National Indigenous Homelessness Forum (Standing Committee on Indigenous Housing)
- Indigenous Safe Houses Pilot (Queensland Department of Families): Twelve months research conducted by a project officer based in Queensland Department of Families looking into the future directions of safe-houses for women and children in remote Aboriginal communities.
- Working Out of Homelessness (St Vincent de Paul): Documented strategies to prepare chronically homeless men for employment and training
- Rooms for Rent CD (St Vincent de Paul): Distributing of a CD providing information on share house living to young people.
- Caravan Park Child Care Pilot (University of Newcastle): Researched good practice strategies to support families in caravan parks access housing and other community supports.
- National Analysis of Strategies used to respond to Indigenous itinerants (Aboriginal Environments Research Centre Paul Memmott and Associates)

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**2002–03**

**Continuing Projects**

- Pathways for ex-prisoners
  - Ex-prisoners experience homelessness in a range of ways, with a consequent an impact on SAAP due prior need being inadequately addressed.
- How can homeless people access and sustain secure housing?  
What supports and structures might lead to a successful outcome?
- SAAP impact on Community Capacity and Self-reliance.
- International and Australian Trends in Homelessness
- Understanding people's journeys – the costs and pathways of homelessness.

How people become homeless; modelling the financial and social costs involved in failure to address issues of risk prior to downstream crisis.

- *Dawn House (NT) – The service access and pathways of accompanied children, mainstream service with indigenous clientele*
- Parramatta Mission (NSW) – *Squatting in Parramatta: What is the reality?*
- Oasis Youth Support Network (NSW) *Developing obligations and ethics of accommodating / not accommodating drug affected young people.*
- Hanover Welfare Services (Vic) *Patterns of service use amongst women accessing SAAP in Victoria – broad study.*
- Perth Inner City Youth (WA) *Homosexual young people in SAAP (young gay lesbian bisexual and transgender people service issues and safety.*
- Ipswich Community Youth Service (Qld) *Unmet need – options for the collaborative use of electronic systems to streamline client enquiry and referral.*
- Carnarvon Family Support Service (WA) - *Best practice for early intervention in the Gascoyne.*
- City of Sydney (NSW) *Increasing Inner City Homelessness – Myth or Fact?*
- Catherine House (SA) *Women on the move (repeat use). A study of high repeat users of women's services in Adelaide.*
- Outreach Victoria Crisis Support Service (Vic) – *Caravan Parks as appropriate SAAP accommodation?*
- Women's Refuge group of WA – *Caught in the Crossfire: Identifying needs of accompanying children from CALD backgrounds in SAAP.*
- Victorian Women's Refuges and Domestic Violence Services (Vic) *Mainstreaming Indigenous family violence, Collaborative work between Indigenous women's services and mainstream services.*
- *Develop and Pilot Client Outcomes Measures in SAAP Services.*
- *Indigenous Families Pilot (Centacare, SA) - The project explored methods to provide parenting information and support to families with high and complex needs in rural areas.*
- Waarveh (Peirson Services): This project targeted young people at risk of homelessness who have high truancy rates or contact with the Juvenile Justice System or care and protection system.

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- Housing Options for People with a Mental Illness (Top End Association for Mental Health)
- National Dissemination Project (University of Newcastle) Developed communication materials for families living in caravan parks and service providers.
- Older Persons Project (Wintringham): International study identifying risk factors and support needs of older people experiencing homelessness.
- Roofs for Youths (Youth Affairs Council of WA): Trials strategies to assist young people accessing the private rental market.
- Evaluation of Family Homelessness Prevention Pilots (RPR Consulting)
- Support for Family Homelessness Prevention Pilots (Morgan Disney & Associates)
- Identify and measure SAAP clients with high and complex needs

**2003-04**

**Projects being developed**

- Association Between Homelessness and Problem Gambling: Emerging trends in homelessness and the impact of problem gambling
- What outcomes is SAAP generating for its clients?
  - Clients with high and complex needs
  - Increasingly complex needs of clients presenting to SAAP – SAAP's role
- SAAP National Evaluation Modules 2002/03 – 2004/05
  - Accountability Framework
  - National Data Collection
  - Information Management Plan
  - Strategic Themes
  - Capacity of the Service System
- Cross Match Project (Hanover Welfare Services): Repeat of early study matching information collected from homeless persons with their Centrelink records.

**2003-04**

**Projects planned not yet progressed**

- Sustainable Housing and Linkage with Employment through SAAP/other related program services (4)
- The extent or otherwise of links between homelessness, mental illness, crime and other systems impact on the ability of each service system to meet client need.
- Integrating appropriate health needs with SAAP service delivery.
- Conduct a national SAAP client satisfaction survey.

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**Output Group: 2.1 Housing Support**

**Question No: 85**

**Topic: Homelessness and people with an acquired brain injury.**

**Hansard Page: CA 421**

**Senator Allison asked:**

What are we doing nationally, as part of the Commonwealth Advisory Committee on Homelessness' work and our national homelessness strategy, on the issue of people with acquired brain injury?

**Answer:**

- The Commonwealth Advisory Committee on Homelessness (CACH), undertook national consultations in 2001-02 on their discussion paper, *Working Towards a National Homelessness Strategy*. Following those consultations, CACH revised the paper and included, among other things, strategies or options to meet the needs of people with acquired brain injury.
- The National Homelessness Strategy provided funding to the Australian Federation of Homelessness Organisations to hold a national homelessness conference in April 2003. Acquired brain injury was the theme addressed in one of the concurrent sessions of the conference.
- There are a number of sub groups within the homeless population. For example people with a mental illness, people with an intellectual disability, people with a psychiatric disability and people with acquired brain injury. Health professionals are qualified and skilled to make mental health diagnosis, assessment and provide treatment for whatever health problems a person has. Homeless service providers offer information and refer clients to mental health or other health professionals who are specialised in their field. Homeless service providers directly assist with living skills and support homeless people to access income support, stable housing and other community supports.

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**Output Group: 2.1**

**Question No: 86**

**Topic: Strategies to ensure people with acquired brain injuries have access to Job Network and Centrelink.**

**Hansard Page: CA423**

**Senator Allison** asked:

What strategies have been put in place to ensure that people with acquired brain injury example, have increased access to Job Network and Centrelink?

**Answer:**

Under the Australians Working Together initiative, a range of measures designed to encourage people to be active and participate in the community to the best of their ability was introduced. 'A Better Deal for People with Disabilities - better assessment and early intervention' recognises that people with illness, injury or disability want the chance to have a go. This includes people with Acquired Brain Injury.

An improved assessment of people's capacity to work helps to better understand people's needs and helps keep them active and involved. The aim of the assessment is to identify barriers, provide information on a customer's capacity to work and suggest appropriate interventions. This improved assessment was introduced in September 2002.

Internal (Centrelink Psychologists or Centrelink Disability Officers) or external (Medical Assessors or Work Capacity Assessors) expertise is used by Centrelink to make these assessments. Assessments are based on medical information provided by the customer or their treating doctor and in many cases are conducted in the presence of the customer. This assessment model relies on specialists with a wider range of qualifications and skills to help understand the issues faced by the customer and includes professionals such as Occupational Therapists and Rehabilitation Counselors.

Following the assessment Centrelink will discuss with the customer their identified barriers. They will actively explore with them the opportunities and interventions to maximise workforce or social participation within their assessed level of capacity. Where barriers are identified, an individualised plan of intervention strategies may be developed with the customer drawing upon internal Centrelink specialist services and/or external service providers.

Access to Job Network has increased through funding of Job Network providers who specialise in assisting people with disabilities, including people with ABI. Further to this, Department of Family and Community Services (FACS) funded Disability Employment Assistance providers and Vocational Rehabilitation providers have received additional places to help more people with disabilities into employment. Some of these providers offer specific assistance to people with certain types of medical impairments such as Acquired Brain Injury.

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In addition to the AWT initiative, Centrelink continues to conduct Disability Awareness training for staff in Centrelink Customer Service Centres and Call Centres who interact with people with disabilities.

The training has been designed to cover elements of Disability Awareness for those whose focus is customer service. The aim of the training is to ensure that staff feel confident in providing a quality customer service to people with disabilities by:

- Understanding the impacts of disabilities experienced by customers;
- Being able to communicate effectively with customers with disabilities;
- Identifying customers with disabilities; and
- Referring customers with disabilities to appropriate agencies.

The training was developed in consultation with peak disability organisations and has been endorsed by members of Centrelink's Disability Customer Service Reference Group.

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**Question No: 88**

**Topic: Average rents by Rent Assistance recipients by location and payment type**

**Hansard Page: CA 427/Written question on notice**

**Senator Collins** asked:

Can you provide, by location, average rents paid by Rent Assistance recipients by payment type?

**Answer:**

The following table sets out average fortnightly rents paid by income units receiving Rent Assistance by location for the main payment types. For couples, one member of the couple has been treated as the reference person for each income unit and as receiving the primary payment type for the couple.

**Average fortnightly rent by location and primary payment type for Rent Assistance Income Units<sup>1</sup>, December 2002**

Location	Newstart Allowance	Parenting Payment Single	Disability Support Pension	Age Pension	Family Tax Benefit (only) <sup>2</sup>	Parenting Payment Partnered (only) <sup>3</sup>	Youth Allowance	Other payments	All Payments
Sydney	\$280	\$358	\$262	\$247	\$454	\$431	\$237	\$267	\$310
Rest of NSW	\$221	\$287	\$220	\$208	\$338	\$333	\$181	\$227	\$241
Melbourne	\$237	\$313	\$234	\$243	\$375	\$367	\$206	\$243	\$264
Rest of VIC	\$207	\$265	\$206	\$216	\$304	\$294	\$167	\$217	\$228
Brisbane	\$228	\$305	\$230	\$231	\$363	\$357	\$188	\$248	\$259
Rest of QLD	\$232	\$296	\$229	\$225	\$356	\$350	\$185	\$246	\$257
Adelaide	\$220	\$294	\$222	\$204	\$337	\$330	\$180	\$234	\$241
Rest of SA	\$206	\$251	\$207	\$211	\$280	\$282	\$172	\$210	\$225
Perth	\$222	\$293	\$223	\$209	\$343	\$329	\$178	\$234	\$243
Rest of WA	\$217	\$267	\$211	\$201	\$310	\$294	\$176	\$216	\$233
Hobart	\$205	\$263	\$209	\$206	\$305	\$295	\$173	\$221	\$222
Rest of TAS	\$199	\$238	\$203	\$198	\$263	\$265	\$162	\$200	\$210
Darwin	\$235	\$321	\$235	\$239	\$356	\$362	\$205	\$243	\$269
Rest of NT	\$224	\$316	\$222	\$203	\$383	\$383	\$206	\$227	\$264
ACT	\$232	\$348	\$233	\$243	\$421	\$413	\$209	\$247	\$275
Australia	\$235	\$304	\$230	\$226	\$375	\$362	\$193	\$245	\$260

Notes:

- 1 Average rents have been calculated for income units, rather than individuals. That is, a couple with or without children are treated as a single income unit, reflecting the fact that housing costs are generally a joint expense for couples and recorded in that fashion by Centrelink.
- 2 An income unit has been classified as FTB only if they do not receive a social security income support payment.
3. An income unit has been classified as receiving Parenting Payment Partnered only if the partner does not receive a social security income support payment.

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**Output Group: 2.1**

**on No: 89**

**Topic: Misunderstandings by customers about RA eligibility and deferred FTB.**

**Hansard Page: CA 428/Written question on notice**

**Senator Collins** asked:

Were there any misunderstandings by people who may have been eligible for Rent Assistance who deferred FTB?

Was this information pointed out to families when they applied for Family Tax Benefit?

**Answer:**

Neither the Department or Centrelink has received any complaints by customers who may have misunderstood that they could not receive Rent Assistance if they chose to have their FTB paid through the tax system.

The information was, and is, stated in various Family Assistance Office publications, on application forms to claim Family Tax Benefit and on the Family Assistance Office website. The information was also stated in a magazine that was sent to all families that had a Centrelink record prior to the introduction of Family Tax Benefit.

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**Output Group: 2.1**

**Question No: 90**

**Topic: Scenarios around FTB and RA**

**Hansard Page: CA 430/Written question on notice**

**Senator Collins** asked:

Provide scenarios on the interaction of Rent Assistance and Family Tax Benefit options for those moving from income support into employment.

**Answer:**

Rent Assistance is paid to families in the private rental market to assist them with their rental costs. Rent Assistance is paid to families with their Family Tax Benefit Part A (FTB A) regardless of whether the customer is receiving an income support such as Parenting Payment – Single (PP-S) or is employed. This ensures a more consistent payment of Rent Assistance, as FTB A is generally a less volatile payment than income support and has more generous income testing arrangements.

Rent Assistance can be paid in a number of ways under the More Choice For Families (MCFE) options. This includes receiving Rent Assistance in fortnightly instalments or deferring it to the end of the year.

### **GENERAL FAMILY TAX BENEFIT RULES AND RENT ASSISTANCE**

A customer who earns less than \$30,806 in an FTB (or financial) year is eligible for the maximum rate of FTB A. If they are paying private rent they may also receive Rent Assistance. Any Rent Assistance payable is added to the rate of FTB A and the income test is applied to the combined payment.

Any income over \$30,806 reduces FTB A [including Rent Assistance] by 30 cents per dollar of excess income. If a debt arises, due to underestimating income for example, this will be a debt against the entire payment of FTB A and Rent Assistance. The payment of Rent Assistance increases the customer's total FTB A entitlement thereby increasing the amount of other income that can be earned before FTB A reaches the base rate and an overpayment arising.

An income test does not apply to FTB for any period a customer is receiving an income support payment, for example PP-S. However, FTB A is still subject to the maintenance income test.

When a customer enters into or leaves employment, their rate of income support and FTB may be affected. The most common changes would include:

- If a customer is employed and earning less than \$30,806 per year they will receive the maximum rate of FTB A and any Rent Assistance they may be entitled to. If they subsequently become unemployed, they will continue to receive their existing

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entitlement of FTB A and Rent Assistance plus the relevant income support payment - Rent Assistance continues to be paid with FTB A.

- If the customer is employed and is not receiving income support for part of the year, any income support they may have received is added to their taxable income as part of their adjusted income used to determine the rate of FTB. Note that FTB A is not income tested when the customer is receiving income support.

When a customer experiences a change in circumstances, they need to notify Centrelink. At this time a change in their income estimate can be made to reduce any risk of overpayment at reconciliation. It may also be in the customer's best interests to defer part or all of their FTB entitlement under the MCFE options. This can include the Rent Assistance component if the customer chooses.

#### **SCENARIO A**

##### **Single parent, one child under 5 years, paying rent of \$320 per fortnight**

*1 July 2002 to 31 December 2002 - not working, no other income*

Customer will receive

- Parenting Payment - Single at \$440.30 per fortnight
- Family Tax Benefit Part A at \$126.70 per fortnight
- Rent Assistance at \$109.48 per fortnight [paid with FTB A]
- Family Tax Benefit Part B at \$108.78 per fortnight

*1 January 2003 – 30 June 2003 – commences working*

Customer will always retain access to FTB B while single and child is under 16 years of age (under 18 years if not receiving another payment, such as Youth Allowance).

Customer will have PP-S reduced by 40 cents for each dollar above \$140.60 per fortnight. No payment if income exceeds \$1255.85 per fortnight. FTB A is quarantined from income testing while customer is receiving any amount of PP-S.

Customer will have FTB A reduced by 30 cents for each dollar of income above \$30,806 received over the entire period 1 July 2002 to 30 June 2003:

- This amount includes PP-S income received from 1 July 2002 to 31 December 2002, which would have been less than \$5,800
- Salary of new job over six months would need to be over \$25,000 for the six months of employment to start to reduce FTB A
- Therefore, effective salary of new job would need to be in excess of \$50,000 per year to affect the rate of payment of FTB A.

Customer would need to earn approximately \$47,750 to reduce FTB A and Rent Assistance to base rate of FTB A of \$40.74 per fortnight:

- Salary of new job over six months would need to be nearly \$42,000 for the six months of employment to reduce FTB A to the base rate

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- Therefore, effective salary of new job would need to be approximately \$84,000 per year to reduce FTB A to the base rate.

If a customer's income may exceed one of these cut-off points, they can choose to defer some or all of their payment to the end of the financial year under the MCFE options to reduce the risk of overpayment.

**SCENARIO B**

**Couple parents, both unemployed receiving Newstart Allowance and Parenting Payment – Partnered (PP-P), one child under 5 years, paying rent of \$320 per fortnight**

*1 July 2002 to 31 December 2002 – neither partner working, no other income*

Family will receive

- Newstart Allowance at \$342.80 per fortnight
- Parenting Payment - Partnered at \$342.80 per fortnight
- Family Tax Benefit Part A at \$126.70 per fortnight
- Rent Assistance at \$109.48 per fortnight [paid with FTB (A)]
- Family Tax Benefit Part B at \$108.78 per fortnight

*1 January 2003 – 30 June 2003 – NSA partner commences working*

PP-P partner will retain access to FTB B while not working and child is under 16 years of age (under 18 years if not receiving another payment, such as Youth Allowance).

NSA customer will have NSA reduced by 50 cents for each dollar earned between \$62 and \$142 per fortnight, and 70 cents for each dollar earned above \$142 per fortnight. Income above \$575 per fortnight reduces PP-P partner's payment by 70 cents for each dollar. FTB A is quarantined from income testing while customer or partner is receiving any amount of income support – NSA or PP-P.

Customer will have FTB A reduced by 30 cents for each dollar of income above \$30,806 received over the entire period 1 July 2002 to 30 June 2003:

- This amount includes NSA and PP-P income received from 1 July 2002 to 31 December 2002, which would have been over \$8,900
- Salary of new job over six months would need to exceed the income testing amount for FTB A of \$21,900 [with fortnightly income exceeding \$1,100 to reduce PP-P to zero] to start to reduce FTB A
- Therefore, effective salary of new job would need to be nearly \$44,000 per year to affect the rate of payment of FTB A.

Customer would need to earn \$47,750 to reduce FTB A and Rent Assistance to base rate of FTB A of \$40.74 per fortnight:

- Salary of new job over six months would need to be nearly \$39,000 for the six months of employment to reduce FTB A to the base rate
- Therefore, effective salary of new job would need to be approximately \$78,000 per year to reduce FTB A to the base rate.

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If a customer's income may exceed one of these cut-off points, they can choose to defer some or all of their payment to the end of the financial year under the MCFE options to reduce the risk of overpayment.

**SCENARIO C**

**Couple parents, one employed earning \$25,000 per year, one unemployed receiving Parenting Payment - Partnered, one child under 5 years, paying rent of \$320 per fortnight**

*1 July 2002 to 31 December 2002 – one partner working, PP-P partner not working, no other income*

Family will receive

- Parenting Payment - Partnered at \$72.20 per fortnight  
[payment reduced by 70 cents for each dollar of income earned by employed partner above \$575 per fortnight]
- Family Tax Benefit Part A at \$126.70 per fortnight
- Rent Assistance at \$109.48 per fortnight (paid with FTB A)
- Family Tax Benefit Part B at \$108.78 per fortnight

*1 January 2003 – 30 June 2003 – PP-P partner commences working*

PP-P customer will have PP-P reduced by 50 cents for each dollar earned between \$62 and \$245 per fortnight, and 70 cents for each dollar earned above \$245 per fortnight. FTB A is quarantined from income testing while customer is receiving any amount of income support.

FTB B will be reduced by 30 cents for each dollar earned by PP-P customer above \$1,752 per year. Will no longer receive FTB B when PP-P customer's income reaches \$11,206 per year.

PP-P customer will have FTB A reduced by 30 cents for each dollar of family income above \$30,806 received over the entire period 1 July 2002 to 30 June 2003:

- This amount includes partner earnings of \$25,000 per year.
- This amount includes PP-P income received from 1 July 2002 to 31 December 2002, which would have been over \$900
- Salary of new job over six months would need to exceed the income testing amount for FTB A of \$4,900 [with fortnightly income exceeding \$206 to reduce PP-P to zero] to start to reduce FTB A
- Therefore, effective salary of new job would need to be nearly \$10,000 per year to affect the rate of payment of FTB A.

Customer would need to earn \$47,750 to reduce FTB A and Rent Assistance to base rate of FTB A of \$40.74 per fortnight.

- Salary of new job over six months would need to be nearly \$22,000 for the six months of employment to reduce FTB A to the base rate.
- Therefore, effective salary of new job would need to be approximately \$44,000 per year to reduce FTB A to the base rate.

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If a customer's income may exceed one of these cut-off points, they can choose to defer some or all of their payment to the end of the financial year under the MCFE options to reduce the risk of overpayment.

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**Output Group: 2.1 Question No: 91**

**Topic: Research on housing affordability for Austudy Payment customers.**

**Hansard Page: CA 431/Written question on notice**

**Senator Collins** asked:

Has any study been done by the Department on housing affordability for older students on Austudy?

**Answer:**

No.

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**Output Group: 2.1**

**Question No: 92**

**Topic: Work being done on housing affordability for Austudy customers**

**Hansard Page: CA 431/Written question on notice**

**Senator Collins** asked:

Could you detail work that is being conducted and provide us with any results there too?

**Answer:**

No work has been conducted.

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**Output Group: 2.1**

**Question No: 93**

**Topic: Austudy customers who may be eligible for RA**

**Hansard Page: CA 431/Written question on notice**

**Senator Collins** asked:

Austudy recipients are not eligible for Rent Assistance whereas Youth Allowance students are. The only exception to this may be when an Austudy recipient or their partner also receives Family Tax Benefit or another income support payment that may entitle them to Rent Assistance. Do we know how many Austudy students fall into this category?

**Answer:**

The latest available data at June 2002 reveals that 3 784 income units receiving Austudy had benefited from Rent Assistance paid in the preceding fortnight.

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**Output Group: 2.1**

**Question No: 94**

**Topic: Number of Austudy students paying rent who may be eligible for RA**

**Hansard Page: CA 431/Written question on notice**

**Senator Collins** asked:

Has any work been done on how many Austudy recipients are paying private rent and may be eligible for Rent Assistance if it were available?

**Answer:**

The estimated number of Austudy students that would be eligible for Rent Assistance is 15 000.

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**Output Group: 2.1**

**Question No: 95**

**Topic: Costing of providing RA to Austudy recipients.**

**Hansard Page: CA 431/Written question on notice**

**Senator Collins** asked:

Has the extension of Rent Assistance to Austudy recipients been costed by the Department?  
If so, what would be the cost?

**Answer:**

Full costings have not been undertaken by the Department however it is estimated that the extension of Rent Assistance to Austudy would be approximately \$25 million per year for 15 000 students paying private rent.

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**Output Group: 2.1**

**Question No: 96**

**Topic: Number of Youth Allowance students eligible for RA.**

**Hansard Page: CA432/Written question on notice**

**Senator Collins** asked:

What proportion and number of Youth Allowance students are eligible for Rent Assistance?

**Answer:**

In the fortnight ending 16 May 2003, 69 821 student Youth Allowees were paid Rent Assistance with their Youth Allowance. This represented 22.9 per cent of all students receiving Youth Allowance.

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**Output Group: 2.1**

**Question No: 97**

**Topic: Average rate of Rent Assistance for Youth Allowance customers.**

**Hansard Page: CA 432/Written question on notice**

**Senator Collins** asked:

What is their average rate of Rent Assistance payment?

**Answer:**

The average rate of Rent Assistance for Youth Allowance students is \$59.25 per fortnight.

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**Output Group: 2.1 ...**

**Question No: 98**

**Topic: Youth Allowance students over 24, Austudy students and private rent.**

**Hansard Page: CA432/Written question on notice**

**Senator Collins** asked:

Can such a breakdown be provided to Youth Allowance students over the age of 24? Would Austudy students be more or less likely to be paying private rent than older Youth Allowance students?

**Answer:**

In the fortnight ending 16 May 2003, 3784 students aged over 24 receiving Youth Allowance were paid Rent Assistance with Youth Allowance. This represented 51.9 per cent of older Youth Allowance recipients. The average rate of Rent Assistance for the older students was \$61.52 per fortnight.

We have no information to indicate that Austudy students are more or less likely to be paying private rent than older Youth Allowance students.

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**Output Group: 2.1**

**Question No: 100**

**Topic: 2001-02 Commonwealth State Housing Agreement (CSHA) expenditure.**

**Hansard Page: CA439**

**Senator Allison** asked: What was the expenditure on the Commonwealth-State Housing Agreement last year?

**Answer:**

In 2001-02, the Commonwealth paid a total of \$1028.220 million in grants to the states and territories under the 1999 CSHA. The states and territories matched this amount with funding of \$364.134 million.

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**Output Group: 2.2 Community Support**

**Question No: 101**

**Topic: GAMBLING**

**Hansard Page: CA423**

**Senator Allison** asked:

In the September meeting of the Ministerial Council on Gambling, did the states agree to this process where the advisory body would essentially be handed the job and told to come back with a solution?

**Answer:**

The State and Territory members of the Ministerial Council did not formally agree to this approach. However the Chair [Minister Vanstone] advised the Council that her National Advisory Body on Gambling is providing advice on a draft National Harm Minimisation Strategy.

The Chair assured the Council that all jurisdictions would be given ample opportunity to comment on the Draft National Harm Minimisation Strategy once this was completed. Their input would be essential in the process of developing a useful National Strategy.

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**Question No: 102**

**Topic: GAMBLING**

**Hansard Page: CA453**

**Senator Allison** asked:

Did any of the State Ministers have any specific issues they wished to discuss at the next proposed Ministerial Council on Gambling meeting?

**Answer:**

Issues identified at Ministerial Council Meeting 11 September 2001 for discussion/update at the next meeting were:

- The Draft National Harm Minimisation Strategy
- National Research Program
- National Problem Gambling Awareness Campaign
- Research into ATM/EFTPOS facilities
- Casino Exclusions by Police Commissioners

The Chair has also been asked to place Financial Spread betting on the agenda for the next meeting.

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**Question No: 103**

**Topic: GAMBLING**

**Hansard Page: CA454**

**Senator Allison** asked:

Commonwealth/State Secretariat - Once the secretariat is established, how many employees do you expect it to have?

**Answer:**

Two full-time employees.

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**Question No: 104**

**Topic: GAMBLING**

**Hansard Page: CA455**

**Senator Allison** asked:

What is the status of the task force to develop effective education strategies for school children to prevent problem gambling?

**Answer:**

Ministerial Council on Gambling asked the Council Secretariat to refer the issue of targeted education strategies for school children to the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA).

Council Secretariat wrote to MCEETYA in July 2001. MCEETYA responded to the request from the Ministerial Council on Gambling outlining that further research would be required before any development of effective harm minimisation strategies could commence.

The issue has been placed on the National Research Agenda for future action.

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**Question No: 105**

**Topic: GAMBLING**

**Hansard Page: CA456**

**Senator Allison** asked:

Chances of Winning - how many states would actually have that disclosure—the chances of winning a major prize—as opposed to whatever the states are doing?

**Answer:**

**Odds of winning displayed.**

<b>State</b>	<b>Casino Gaming</b>	<b>Electronic Gaming Machines</b>	<b>Lotteries and Keno</b>
<b>NSW</b>	Yes	Yes	Yes
<b>VIC</b>	Yes	Under review	No
<b>QLD</b>	No Voluntary Code of practice	No Voluntary Code of practice	No not covered by voluntary code
<b>SA</b>	Yes, except EGMs only in relation to specific advertisement of promotion which relies on the value of a prize or frequency of winning	No	Yes Keno
<b>TAS</b>	Yes for odds on winning, no information on true return	No	No
<b>WA</b>	Table games - information is available on request for EGMs - % of Return to players	N/A Clubs	Yes voluntary
<b>ACT</b>	Yes except for poker	% of Return to players	No
<b>NT</b>	Information is available on request	No	No

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**Question No: 106**

**Topic: GAMBLING**

**Hansard Page: CA456**

**Senator Allison** asked:

- a. The payment by cheque of casino machine winnings over a certain limit - Please provide a schedule of what has been agreed to by jurisdictions.
- b. Has the issue of machine linked jackpots been discussed and agreed that they will not be banned?

**Answer:**

**a.**

<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>TAS</b>	<b>WA</b>	<b>ACT</b>	<b>NT</b>
Yes over \$1,000	Yes over \$2,000 unless an exemption applies.	Yes over \$250, unless Queensland office of Gaming Regulation approves higher limit	No	No	Yes over \$10,000	No	No

**b.**

At the Ministerial Council Meeting of 11 September 2001 the issue of machine linked jackpots was placed on the research agenda for the National Gambling Research Party.

No decision has been made to ban linked jackpots.

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**Question No: 107**

**Topic: GAMBLING**

**Hansard Page: CA456**

**Senator Allison** asked:

The Commonwealth is taking the lead in consulting financial institutions on best practice restrictions on ATMs and credit in gambling venues. Can you enlighten us on the progress there in government?

**Answer:**

At the April 2001 Ministerial Council on Gambling (MCG) it was agreed that the Commonwealth would discuss with Treasury and the financial sector options on Automatic Teller Machine (ATM) withdrawals and report back to States and Territories at an early stage.

The Commonwealth consulted with the financial sector and reported back to Ministerial Council in September 2001.

Following discussions at the September 2001 MCG meeting the Chair advised that the Commonwealth would undertake independent research into current and future ATM technology capabilities.

It was also agreed by the Council that officials were to develop recommendations to be considered by Ministers prior to 1<sup>st</sup> December 2001 covering:

- Location of ATMs and EFTPOS facilities in relation to gambling venues; and
- Limits on per transaction or per diem or per card access to accounts.

A framework for the research was developed in consultation with State and Territory Government and the issues were considered as part of the research.

The final draft research report has been received and is under consideration.

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**Question No: 108**

**Topic: GAMBLING**

**Hansard Page: CA458**

**Senator Allison** asked:

National Advisory Body on Gambling – Please provide specific employers or associations

**Answer:**

**NATIONAL ADVISORY BODY ON GAMBLING - MEMBERS**

**Chair**

Tony Ayers  
former Secretary of Departments of Defence, Health and Social Security

**Members –**

Rev Tim Costello                      President of the Baptist Union of Australia  
Spokesperson member of the Inter-Church Gambling Task Force

Rev Chris Jones                      Director, Anglicare Tasmania

Prof. Peter Grabosky                  RegNet Centre for Gambling Research, Australian National University

Ms Mary Marquass                      Conrad Jupiters Casino

Ms Dianne Gibson                      CEO, Relationships Australia

Mr Richard J Mulcahy                  National Executive Director of the Australian Hotels Association.

Mr Grant Bowie                      President of the Australian Casino Association  
Chairman of Queensland's Responsible Gambling Advisory Committee  
CEO, Conrad Jupiters Casino

Mr Mark Fitzgibbon                      Resigned November 2002  
Executive Director, Clubs Australia and New Zealand

Mr Warren Wilson                      Managing Director, TAB Limited

Ms Vicki Flannery                      CEO, Australian Gaming Council

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**Question No: 109**

**Topic: GAMBLING**

**Hansard Page: CA460**

**Senator Allison** asked:

Community Services Ministers Council problem gambling working party – How often does it meet?

**Answer:**

Currently it meets around twice a year. However, there is no specified number of meetings per year for the Community Services Ministers Council Problem Gambling Working Party.

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**Question No: 171**

**Topic: GAMBLING**

**Hansard Page: CA455**

**Senator Allison** asked:

What work has been undertaken by the Commonwealth in relation to reviewing the impact of machine linked jackpots on problem gambling?

**Answer:**

The Ministerial Council agreed that the issue of machine linked jackpots be included in the work program for the National Gambling Research Working Party. The issue will be covered under the National Gambling Research Program when it examines “feasibility and consequences of changes to gaming machine operations”.

Responsibility for the regulation of electronic gaming machines and linked jackpots is a state and territory issue. However, the Commonwealth regulates interactive gaming via the *Interactive Gaming Act 2001*. Machine linked jackpots are not covered under the scope of this Act. The Department of Communications, Information Technology and Arts (DCITA) is, however, currently reviewing the Act. Further information on the review is available from the DCITA website – [www.dcita.gov.au](http://www.dcita.gov.au).

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**Output Group: 2.2**

**Question No: 110**

**Topic: Prime Minister's Community Business Partnership**

**Hansard Page: CA 461 Written question on notice**

**Senator Allison** asked: Why was it then, according to the 2001-02 annual report, only \$1.8 million was spent out of the projected \$5.7 million? In other words, why was \$4 million not spent?

**Answer:** The Department of Family and Community Services Annual Report 2001-02 (p. 123) shows an appropriation of \$5.193 million and expenditure of \$1.898 million for the Prime Minister's Community Business Partnership. Therefore there was an underspend of \$3.295 million.

The underspend occurred for the following reasons:

- The Partnership was assigned additional responsibilities, for which \$1.794 million was allocated, under the *Australians Working Together* (AWT) package. There were delays in implementation of the AWT measure.
- The approved annual Partnership workplan for 2001 calendar year did not incorporate the AWT work. The members sought an amended structure for the Partnership to better manage their responsibilities.
- The Partnership cancelled the planned August 2001 meeting at which the amended workplan was to be approved, causing delays to planned activities, including the Partnership's work on corporate social responsibility issues.
- Following the announcement of a Federal election in October 2001, further delays were caused by the caretaker period, which does not allow for an initiative of the Prime Minister to be presented in public forums, including the planned series of regional seminars.
- A further contributing factor, later in the financial year, was that the support arrangements for PMCBP were in transition.

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**Question No: 111**

**Topic: Prime Minister's Community Business Partnership**

**Hansard Page: CA 462 Written question on notice**

**Senator Allison asked:** Will the money that was not spent be brought forward and dealt with under the current financial year? In 2000-01, 2001-02 and 2002-03.

**Answer:** Of the \$3.295 million that was not spent in 2001-02, \$1.361 million was carried forward to the financial year 02-03, and \$1 million to 03-04. The remainder was returned to consolidated revenue.

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 112**

**Topic: Economic and Social Participation**

**Hansard Page: CA388/Written question on notice**

**Senator Moore** asked: Are there figures on the number of individuals whose medical certificates have been rejected by Centrelink in the last year and the last two years?

**Answer:** All medical certificates lodged with Centrelink are recorded. However, not all medical certificates result in an activity test exemption and therefore can appear as being rejected.

The data below is information extracted from Centrelink's mainframe system of the number of Newstart and Youth Allowance customers who have lodged a medical certificate but have not been given an activity test exemption.

Note that the data includes medical certificates that were lodged by job seekers who were not seeking an activity test exemption. (for example, where the job seeker has lodged a medical certificate to show they had a reasonable excuse for failing to attend an interview.)

The numbers below show a significant difference between the two years, which reflects the introduction on 20 September 2002, of the Better Assessment and Early Intervention measure. Prior to this, lodgement of a medical certificate generally resulted in an automatic exemption from the activity test. The new procedure, including the use of more comprehensive medical certificates, allows Centrelink to make better informed decisions, which focus on a job seeker's capacity rather than incapacity.

	Newstart Allowance	Youth Allowance
1 June 2001 to 31 May 2002	19,506	831
1 June 2002 to 31 May 2003	46,321	2,464

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**Question No: 113**

**Topic: Economic and Social Participation**

**Hansard Page: CA388/Written question on notice**

**Senator Moore** asked: Can we have the figures for the last four years of recipient numbers and payment types with a full or partial exemption from the activity test?

**Answer:** Job seekers who meet legislative requirements for an exemption from the activity test receive a full exemption from all requirements to meet the activity test.

The following data is the number and payment type of temporary incapacity exemptions by payment type for the past 4 years. These figures indicate the number of job seekers that have had an exemption at anytime during each of the years.

<b>YEAR</b>	<b>Newstart Allowance</b>	<b>Youth Allowance</b>
<b>June 1999</b>	190,567	32,372
<b>June 2000</b>	209,368	36,907
<b>June 2001</b>	213,513	36,744
<b>June 2002</b>	178,883	28,863

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**Question No: 114**

**Topic: Economic and Social Participation**

**Hansard Page: CA389/Written question on notice**

**Senator Moore** asked: How many reviews have there been of people receiving Newstart incapacitated over the last 12 months?

**Answer:** The introduction of the Better Assessment and Early Intervention measure, which is part of the Government's *Australians Working Together* package in September 2002 for incapacitated job seekers, included a significant change to the review regime for this group of customers. System changes mean reliable management information on the number of reviews is not currently available. This should be resolved soon.

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 115**

**Topic: Pensioner Education Supplement**

**Hansard Page: CA 338**

**Senator Moore** asked:

Pensioner Education Supplement – matching payments to study periods.

(a) How many people, by payment type, will be affected by this measure?

(b) What is the break-up of the two key categories (disability support pension and single parenting payment) that will be most affected across the rest of the group?

**Answer:**

Estimated number of customers who will be affected by the measure, by payment type over the 2003/04 summer break.

Carer Pension	750	2.4%
Disability Support Pension	12560	39.2%
DVA Age Pension	40	0.1%
Parenting Payment Single	18240	57.0%
Widow Allowance	210	0.7%
Widow B Pension	10	0.0%
Wife Pension	190	0.6%
Total	32,000	100%

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 116**

**Topic:**

**Hansard Page: CA 339**

**Senator Moore** asked:

Please provide a table indicating what the average cut per payment type would be. –the part time versus the full time students.

**Answer:**

PES does not vary with main payment type except that customers on DSP are not subject to a half rate for part-time study ie they always receive the full rate. The size of a customer's payment reduction will depend on the length of the break between academic years at the institution at which they are studying. The estimated average reduction in payment by education sector is set out below.

	Half rate	Full rate
University	\$187.20	\$374.40
TAFE	\$124.80	\$249.60
School	\$124.80	\$249.60
Private Institution	\$93.60	\$187.20

Assumptions:

The above table assumes the following average lengths of summer breaks:

- Universities – 12 weeks
- TAFE – 8 weeks
- Schools – 8 weeks
- Private Institutions - 6 weeks

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 117**

**Topic: Pensioner Education Supplement**

**Hansard Page: CA 340**

**Senator Moore** asked:

Please provide an Evaluation of the PES scheme.

**Answer:**

The attached evaluation was completed in December 2000. [Note: the attachment has not been included in the electronic/printed volume]

The data on which the evaluation was based is now four and a half years old, having been collected in 1998. The issues raised in the report have since been overtaken by the working age payment reform work that is currently underway through the Government's initiative *Building a simpler system to help jobless families and individuals*.

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**Question No: 118**

**Topic: Pensioner Education Supplement**

**Hansard Page: CA 340**

**Senator Moore** asked:

Please detail the indexation arrangements that apply to PES

**Answer:**

Pensioner Education Supplement is not indexed.

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**Output Group: 3.1 Labour Market Assistance**

**Question: No: 119**

**Topic: 2003-04 Budget Estimates Hearing – 4-5 June 2003 Questions on Notice**

**Hansard Page: CA 342 Written question on notice**

**Senator Bishop** asked: Please provide a breakdown of the discrete costs of each of the changed elements and estimates of the number of people likely to be affected by each measure, by year and payment type?

**Answer:**

**1. A formal cooling off period for activity and participation agreements**

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Costs - \$m</b>	0.371	0.058	0.060	0.061

1. Cost impact is derived from minor system changes - no customers will be financially impacted.
2. Approximately 650,000 Newstart (NSA) and Youth Allowance (other) YA(o) customers required to enter a Preparing For Work Agreement each year are already provided with a cooling off period.
3. Once participation agreements for parents are fully implemented, approximately 64,000 Parenting Payment (PP) customers annually will be subject to a requirement to enter into an agreement and be provided with a cooling off period.

**2. More detailed considerations of personal circumstances in activity and participation agreements, activity exemptions and breaching**

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Costs - \$m</b>	3.843	3.129	2.092	2.128

1. Costs largely stem from slightly revised assumptions about the take-up of paid work by parents – due to the availability of extra exemption reasons.
2. Approximately 650,000 NSA and YA(o) and 64,000 PP customers will be subject to individually considered activity test or participation requirements annually once AWT fully implemented.

**3. Earlier and improved notice of impending breach penalties**

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Costs - \$m</b>	1.000	0.000	0.000	0.000

1. No customers will be financially impacted. Costs are due to minor system changes and a one-off delay in the accrual of savings from breach penalties. No change in breach penalty numbers is assumed as a result of this change.

**4. Reduced penalty periods for first breaches**

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Costs - \$m</b>	8.655	9.404	9.621	9.845

1. Estimate that around 53,000 job seekers would qualify for reduced penalties each year
2. In addition, 2003-04 costs include \$0.090 DEWR departmental – not shown in FaCS PBS.

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**5. Reduced job search requirements for some mature aged jobseekers**

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Costs - \$m</b>	0.201	0.000	0.000	0.000

1. Cost due to minor system change. Estimate 175,000 Newstart Allowance customers in the 50+ age group in the first year and about 215,000 in subsequent years potentially affected by the changes. However not all of these will have job search requirements under the new arrangements.

**6. Evaluation - study on the impacts of AWT parent measures on children**

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Costs - \$m</b>	0.153	0.156		

**TOTAL**

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Costs - \$m</b>	14.223	12.747	11.773	12.034

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 173**

**Topic: Guidelines for administering the new Participation Agreement**

**Hansard Page: CA 489 Official Committee Hansard, Wednesday 4 June 2003**

**Senator Bishop** asked: When the guidelines are in their final form and you have ticked off on them, could you provide a copy of them to the committee?

**Answer:** The attached documents are the final versions of the guidelines for the two groups with Participation Agreements – Parenting Payment recipients with youngest child 12-15, and Newstart Allowees aged 50 and over.

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**3.2.13 Participation Support for NSA 50+**

Introduction

More flexible activity test requirements for NSA customers aged 50 and over were introduced on 20 September 2003, as part of the AWT package. They were introduced in acknowledgment of the difficulties mature age people experience in trying to find and sustain employment. The objective for this measure is to increase the economic participation of people aged between 50 and age pension age. The initiative encourages active involvement in the jobs market and the community and seeks to enhance the capacity of older working-age people to maintain an active and meaningful lifestyle and to promote a more positive view of ageing in our society.

In this section

This section contains the following topics:

3.2.13.10 Participation Support for NSA 50+ - Background

3.2.13.20 Participation Interviews for NSA 50+

3.2.13.30 Participation Requirements for Mature Age NSA Customers – 2 streams

3.2.13.40 Terms of the Participation Agreement (NSA 50+)

3.2.13.50 Participation Support - Hours of Participation & Exemptions (NSA 50+)

3.2.13.55 Participation Support - Monitoring & Compliance (NSA 50+)

3.2.13.60 Participation Support - Non-Compliance (NSA 50+)

3.2.13.70 Participation Support - Exemptions & Deferment (NSA 50+)

3.2.13.80 Participation Support & Portability (NSA 50+)

3.2.13.90 Participation Support – Reporting (NSA 50+)

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Date this topic last updated: **22 September 2003**

*3.2.13.10 Participation Support for NSA 50+ - Background*

Summary

This topic contains information regarding the following:

- process,
- assessing recent workforce experience,
- planning,
- motivating and encouraging,
- role of Centrelink Personal Adviser,
- target group, and
- contact strategy.

More flexible activity test requirements for NSA customers aged 50 and over were introduced on 20 September 2003, as part of the AWT package. They were introduced in acknowledgment of the difficulties mature age people experience in trying to find and sustain employment. The objective for this measure is to increase the economic participation of people aged between 50 and age pension age. The initiative encourages active involvement in the jobs market and the community and seeks to enhance the capacity of older working-age people to maintain an active and meaningful lifestyle and to promote a more positive view of ageing in our society.

The focus is on moving people towards working or upgrading their skills and experience to better prepare them to find work. Activities such as caring and community work can be accommodated, but those who can look for work are expected to. The range of activities people are able to undertake recognises that individual circumstances, skills, recent workforce experience and aspirations of mature age people vary considerably.

This approach is based on the principle that the best thing we can do for people is to help them move towards economic independence wherever possible. In doing so, it is important to recognise that not all people are ready to take up a job opportunity straight away. Mature age people may also not

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consider themselves to be 'unemployed', and may in fact have chosen an early retirement. It is important to be sensitive to this fact, while still providing encouragement towards greater self-sufficiency.

It is also important to place activity in a planning context - not just doing activity for the sake of it but with a purpose and goal in mind. People are more likely to benefit from an activity such as work experience, counseling, training, etc if they have a clear understanding of how the activity can help them develop the skills they need to get a job or achieve their goals.

To pull all of this together, there is a need to individually tailor the assistance provided and the requirements set for people in need of extra help. For each person, the pathway to economic independence will be different. This pathway will need to take account of their particular goals and aspirations, their existing skills and education, their health and other personal circumstances, their family situation and caring responsibilities, etc.

This approach recognises that with the closure of MAA and PA, there will be an even more diverse range of mature age people with varied circumstances claiming NSA. By allowing a more individualised approach to participation requirements, it is intended that all mature age customers are catered for, including those who would formerly have claimed these payments.

#### Process

There are two distinct groups of customers under these arrangements, which need different approaches to be taken to their interventions.

#### Majority of NSA 50+ customers

For most customers the focus is still on looking for work, and the interventions (while still containing a planning component) also have a strong assessment focus in terms of whether the person is able to participate in Job Network straight away, and whether they need additional assistance in order to do this. The process for these customers is as follows:

- Initial Personal Adviser interview at new claim or (for current customers) within 12 months of implementation.
- Personal Adviser sets individually tailored participation requirements until the person enters Job Network Intensive Support. For most this includes job search (and Job Search Support), but non-vocational barriers may also be addressed at this point.
- Registered with Job Network at initial interview, but Personal Adviser may defer participation for a short time in exceptional circumstances if the person has severe barriers to address first.
- Parallel Job Network/Personal Adviser servicing may occur if non-vocational barriers need stabilizing in order for the person to benefit from Job Network. Every attempt is made to help the customer resolve any issues that are preventing them from benefiting from Job Network services.
- The Personal Adviser role has a strong focus on ensuring that referrals to the Job Network stick, and providing customers with the support they need to benefit from this assistance.
- Personal Adviser interview at 11 months duration (an attempt should be made to schedule this interview before Intensive Support Customised Assistance Interview), and then annually for most, but those with a high risk of not meeting their requirements may be seen by the Personal Adviser at 3 or 6 monthly intervals.
- 3 monthly progress checks unless customer is in Intensive Support Customised Assistance, or participation can be verified through the system (3.2.13.50).

#### NSA 50+ with no recent workforce experience at new claim

For these customers, the focus of the interventions is on planning and helping them move closer to achieving employment in the long-term. These customers generally have more frequent contact with their Personal Adviser, and an alternative more flexible and individually tailored approach is taken

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with regard to the range of activity options available to them. The process for these customers is as follows:

- Initial Personal Adviser interview at new claim,
- individually tailored participation requirements which may concentrate on improving the person's level of community engagement as a stepping stone to increasing their employment prospects,
- Personal Adviser interview at 3, 6 or 12 monthly intervals depending on individual circumstances,
- quarterly progress checks unless participation can be verified by the system,
- not required to undertake job search if the Personal Adviser does not consider them to be ready for this yet,
- not required to undertake Job Network Intensive Support (though they may volunteer for it and should certainly be encouraged to take up this assistance if they are able to benefit at this time),
- parallel servicing (where both the Personal Adviser and the Job Network see the customer) may continue, as needed, even where the person is considered 'job ready'.

#### Assessing recent workforce experience

For the purposes of the above, recent workforce experience is defined as employment of 20 hours or more a week for a total of 13 weeks or more at any time during the 12 months immediately before the claim is lodged.

#### ***Examples: The following can be taken into account when assessing recent workforce experience:***

- ***certain employment type LMPs such as NEIS,***
- ***engagement in activities over 20 hours per week that would normally attract a wage, salary or income, particularly if they are self-employed or a farmer, even though they may not receive income,***
- ***employment overseas,***
- ***periods of leave, whether with or without pay, (i.e. annual leave, carers leave, long service leave, sick leave, maternity leave, personal leave, leave without pay and rostered days off).***

**Note:** Leave can only be taken when a person is employed. 'Paid out' leave on termination of employment would not be taken into account.

The following are NOT considered to be employment for the purposes of recent workforce experience:

- voluntary work - however, unpaid work experience would count as employment,
- training type LMPs such as:
  - Work for the Dole, or
  - Community development employment project.

#### Planning

Clarifying the customer's employment and other goals is an important part of the initial steps towards participation. This helps to give the customer purpose and ownership of their activities. The focus should be on assisting the customer to pursue pathways to paid workforce participation - to their greatest potential, given their personal circumstances. At a minimum, at least one of the longer term goals identified must have a work or work skills focus.

#### Motivating and encouraging

A crucial part of the intervention for mature age people is to encourage, motivate and inspire mature age customers, particularly those who may not see the benefits of working in pre-retirement years or of taking active steps towards overcoming barriers to increase their participation.

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**Role of Centrelink Personal Adviser**

Centrelink Personal Advisers help mature age people plan to maintain their connection to the workforce for as long as possible or move into the workforce for the first time. They do this by helping people develop participation plans that focus on moving people towards paid work, to the extent possible, addressing barriers to workforce participation and by guiding and motivating people to improve their workforce participation.

Where workforce participation is not a realistic goal in the immediate future, given the person's circumstances, the Personal Adviser helps the person maintain their connection to the community and work towards developing work-related skills over the longer-term.

The objective under AWT for each person in the mature age group is to provide a high quality assessment of the person's capacity and opportunities to participate and to structure a pathway of activity and support that maximises their chance of being able to take advantage of the opportunities available to them.

A key role of the Personal Adviser for this group will also be to work closely with JNMs to ensure that customers are getting the right level of assistance and support and are able to navigate the system effectively.

**Target Group**

All NSA allowees aged 50 and over. This includes:

- new claimants – customers who become eligible for NSA on or after 20 September 2003 and are aged 50 years or older when the claim is lodged,
- current customers – existing NSA recipients aged 50 years or over on 20 September 2003 (stock customers), and
- NSA customers who turn 50 on or after 20 September 2003.

**Contact strategy**

Customers will be notified in writing of any interviews they need to attend. All customers in the target group who are contactable by phone will also be called the day before their interview wherever possible, to encourage attendance.

It is expected that those customers aged 50 and over and already in receipt of NSA will be seen by a Personal Adviser within 12 months of implementation.

**Act reference:** SSAct [section 601](#) Activity test, [section 771HA\(1\)](#) recent workforce experience - PA  
**Policy reference:** The Guide [3.2.7.10](#) Who Does Activity Testing Apply to?, [1.1.R.80](#) Recent workforce experience (PA, MAA, WA)

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Date this topic last updated: **22 September 2003**

*3.2.13.20 Participation Interviews for NSA 50+*

**Summary**

This topic contains information regarding the following:

- responsibilities of the Personal Adviser,
- interview content,
- purpose of the participation interview,
- outcomes sought from participation interview,
- review of circumstances,
- the participation plan, and
- referrals to programs and additional help.

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Responsibilities of the Personal Adviser

For mature age N<sub>SA</sub> customers, the Personal Adviser's (1.1.P.232) responsibilities include:

- assessing the person's capacity to participate and any barriers they may have to participation (this may include arranging a specialist assessment such as a psychologist assessment),
- planning and goal-setting with the customer,
- negotiating and reviewing participation plans and participation agreements with the customer,
- motivating and encouraging the customer,
- ensuring that the person understands and is able to meet their requirements,
- making referrals to services and specialists,
- working with J<sub>N</sub>Ms to ensure that the customer is in the best position possible to take advantage of the services available,
- issuing a participation record (3.2.13.55), or agreeing on method of providing alternative evidence of participation,
- monitoring and assessing compliance with participation requirements,
- investigating, determining and advising on participation-related breaches,
- making decisions and advising on activity test exemptions,
- reviewing customers' circumstances to help ensure they are being paid correctly, and
- recording information on the system.

Interview content

At each initial and follow-up interview, the customer is assisted to develop a participation plan, which includes a participation agreement. Where the customer already has a participation plan in place, the Personal Adviser reviews this to ensure that it is still appropriate. Personal Advisers also assess people's workforce capacity and aspirations, identifies any barriers to economic and social participation and refers them to services where appropriate. The participation plan is developed and the customer is generally issued with a participation record to record the details of their participation. A review of the customers' circumstances is also undertaken where this has not taken place within the last 3 months.

Purpose of the participation interview

A major focus of all participation interviews is to place activities undertaken by the person in a planning context. This is done by helping the person set appropriate, achievable participation goals that move towards the take-up of paid employment, at an appropriate time to the extent that is reasonable, given the person's circumstances. This is the primary purpose of the initial interview, and of the ongoing interviews for customers with no recent workforce experience.

For those already undertaking Intensive Support, however, there is more of a focus on ensuring that the person is still able to meet their requirements (with or without non-vocational interventions as appropriate) and is being paid correctly. The Personal Adviser will need to provide any additional support necessary to ensure that the person is able to make the best use of their Job Network assistance, and is able to navigate the system effectively.

Outcomes sought from participation interview

The outcomes sought from the participation interview are:

- The customer has discussed options for a planned return to work or improvement of their current work situation, with a view to achieving financial independence and an eventual exit from income support.
- Where the customer has no recent workforce experience, and a return to work is not possible in the short to medium-term, they have agreed to undertake activities that help them maintain their

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community connectedness with a view to improving their ability to participate in the long-term.

- The customer builds on activities from any previous plans and increases their capacity for or amount of workforce participation.
- The customer is fully informed of and understands their requirements, and any consequences of not meeting them.
- The customer understands that their requirements may be amended to take into account any changes to their circumstances.

#### Review of circumstances

As part of the interview process, a review of circumstances is undertaken to ensure the person remains qualified for payment and that they are receiving the correct rate of payment. The review is undertaken at each initial and follow-up interview unless the person is a new claimant or has had an entitlement review within the last 13 weeks. The outcome of this check is also recorded as an entitlement review outcome so that changes to entitlement as a result of the contact can be monitored.

#### The participation plan

At each interview, the Personal Adviser either negotiates a participation plan with the customer, or reviews/amends their existing participation plan.

The participation plan for mature age NSA customers consists of up to 3 parts:

- participation plan:
  - all NSA 50+ customers are required to have one in place – contains information on goals and how the customer will work towards achieving them. No compliance is attached to this section.
- participation agreement:
  - all NSA 50+ customers are required to have one in place – a NSA activity agreement under the SSAct, which sets out the person's compulsory activities. Customers must take reasonable steps to comply with the terms of their participation agreement (except during temporary activity test exemptions) or a breach may be applied.
- job search plan (JSP):
  - those customers who are undertaking Job Network Intensive Support are required to have one in place – for most customers this forms an attachment to the participation agreement which sets out the person's compulsory Job Network activities. Customers must take reasonable steps to comply with the terms of their participation agreement or a breach may be applied. Note that for customers with no recent workforce experience, complying with the JSP is not compulsory.

It is important to note that an agreement between a CWC and a mature age customer is not a legal document as the JSP (above). It is a recognition of what the CWC and the person have agreed they will undertake as their WFD or community work placement – but does not form part of a participation agreement or JSP. If either of these programs make up part of a mature age NSA allowees participation requirements, the requirement will be contained in either the participation agreement or JSP.

As in the case of other NSA allowees, those aged 50+ may also have up to 2 days 'think-time' before signing a participation agreement should they need it. This gives the person time to discuss their options with family and friends or to explore starting dates for activities or whatever else they may need to do in order to make an informed decision about their activities. It also does not prevent the person from renegotiating their participation agreement at any other time after they have signed it.

#### Referrals to programs and additional help

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Flowing from the assessment of capacity and opportunity for workforce participation, there may be opportunities within the local community or funded programs that would help the customer progress towards their participation objectives. The customer should be made aware of these opportunities and how they could help them to realise their potential. Where necessary, access should be facilitated through referrals to providers. The level of help needed with the referral procedure will depend on the customer's capacity to manage the contact on his or her own. Where access is not immediately available due to waiting lists, etc, the customer should be told of the approximate wait time and alternative activities set during the interim.

There is a wide range of assistance and incentives, both government and non-government, available to help or encourage the take-up of employment. By providing individual help, there is an opportunity to ensure mature age people are aware of the range of support in their community and that they are in a position to access that help when they need it. Mature age people are to be supported to explore options, identify barriers and strengths, and make decisions.

**Act reference:** SSAct [section 601](#) Activity test, [section 604](#) Newstart activity agreements, [section 63](#) Requirement to attend Department etc.

**Policy reference:** The Guide [3.2.7.10](#) Who Does Activity Testing Apply to?

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Date this topic last updated: **22 September 2003**

*3.2.13.30 Participation Requirements for Mature Age NSA Customers – 2 Streams*

Summary

This topic contains information regarding the following:

- very flexible approach for some customers,
- mainstream customers, and
- options for servicing.

It is expected that the vast majority of mature age NSA customers are ready to undertake job search and ready for Job Network assistance. The exceptions to this are those customers who have no recent workforce experience when they first claim (see below), and those with severe barriers to employment that mean that they are unlikely or unable to benefit from Job Network participation at this time.

Very flexible approach for some customers

The people included in this group are:

- those with no recent workforce experience at claim,
- those with severe barriers who have had their Job Network participation deferred, and
- those who have not yet commenced Intensive Support ([3.2.13.10](#))

NSA customers aged over 50 without recent workforce experience ([3.2.13.10](#)) do not automatically have job search requirements or a requirement to undertake Job Network assistance. It is at the Personal Advisers discretion as to whether job search requirements are appropriate to apply or not. This decision needs to be based on a high quality assessment of the person's capacity and circumstances. These customers can be referred to the Job Network if they are willing. Personal Advisers should encourage this, but should also be mindful that these are voluntary referrals. The customer service officer should not book a vocational profile interview for these customers at the new claim interview. The Personal Adviser ([1.1.P.232](#)) should do this, if appropriate, following the initial Personal Adviser interview. The JSCI, however, is run at the new claim interview to facilitate rapid referral to specialist assessments where necessary.

Where a person with no recent workforce experience at new claim does enter the Job Network, there are no penalties if they do not comply with their job search plan. They can, however, be exited from the Job Network if this occurs. In this situation the person will need to renegotiate their participation

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agreement (1.1.P.57) with their Personal Adviser. They can be allowed to re-enter the Job Network subsequently if they wish, as long as the JNM agrees to this.

For customers with no recent workforce experience at claim, and those who with severe barriers have had their Job Network participation deferred, the Personal Adviser should agree appropriate activities (up to a maximum of 150 hours over 6 months) and set a review cycle of 3, 6 or 12 months depending on the circumstances of the customer. Factors to consider when setting the time span until the next review are:

- any end-dates to their activities (such as a training course for example),
- risk of not meeting their requirements (as per customer profiles),
- if the customer is likely to have a major change of circumstances in the interim (e.g., they have very unstable home life), and
- if the customer seems likely to become job ready more rapidly.

The goal for these customers is to improve their circumstances over time, so that they will eventually be ready to participate in the Job Network and/or ultimately paid employment.

#### Mainstream customers

At the new claim interview, the customer service officer will run the JSCI and, providing they are not flagged for specialist assessment, book a vocational profile interview with the person's selected JNM for no fewer than 3 days after the initial Personal Adviser interview. This is to allow for any rescheduling of the Personal Adviser interview. If the customer does not attend their Personal Adviser interview (i.e. a did not attend) or reschedules their initial Personal Adviser interview then the Personal Adviser will be responsible for making all reasonable attempts to ensure that the necessary arrangements are made to amend as appropriate the original vocational profile interview. This may include contacting the relevant JNM and organising for a Personal Adviser interview to be booked. The customer service officer should also make it clear to the customer at new claim that the Personal Adviser will make a determination as to whether the vocational profile interview is appropriate at the initial Personal Adviser interview. Cases in which a vocational profile interview may not be appropriate are:

- where the person is being referred to another service such as CRS, OR
- where the person is already meeting the activity test through full-time voluntary work, a combination of part-time work and voluntary work, or by having sufficient earnings from employment (3.2.13.40), OR
- where the person is newly flagged as being a potential PSP (1.1.P.237) client, AND
- they do not wish to be assisted with job search.

For these 'mainstream' customers, the Personal Adviser sets their requirements from new claim until the person enters Job Network Intensive Support (usually at 3 months). The Personal Adviser should still be mindful, however, that most people will also be in Job Search Support at this stage. This should be a consideration when setting requirements, as Job Search Support may include Job Search Training.

At new claim it is expected that most customers will benefit from intensive job search, but other activities may be set as an alternative up to a maximum of 150 hours over 6 months where the Personal Adviser thinks that this activity is the most likely to help the person at the time. This activity could be combined with a minimal job search requirement of up to 2 job contacts per fortnight where appropriate.

***Example: Piers has recently been retrenched after 22 years at a logging company. While he has had plenty of recent workforce experience, he is well aware that he is unlikely to be able to find another full-time job in the logging industry. At the initial interview, Piers' Personal Adviser suggests that Piers undertake a course of training to help him apply the skills he has towards another industry. The Personal Adviser and Piers agree to a participation plan that***

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*consists of participation in a training course plus 2 job contacts per fortnight.*

At the initial interview, the Personal Adviser must also decide whether the person has non-vocational barriers that would prevent them from benefitting immediately from Job Network Assistance. In some limited circumstances, the person may require extra help for a time to be able to make the most of the service.

#### Options for Servicing

Options for servicing the majority of mature age NSA customers are:

- Job Network Assistance + annual Personal Adviser interview:
  - vast majority of customers.
- Job Network Assistance + 6 or 3 monthly Personal Adviser interview:
  - those at high risk of not meeting their requirements. Note that customers may move between this group and the one above as their risk level changes.
- Limited deferral of Job Network, Personal Adviser servicing only:
  - those with acute short-term non-vocational barriers to participation. Customers in this group who are Intensive Support eligible at the initial Personal Adviser interview are exempted from Intensive Support, The initial period of deferral will be up to 4 weeks. If the Personal Adviser determines that the customer's acute short-term non-vocational barriers have not been stabilised by 4 weeks, the deferment period may continue for up to 13 weeks. As a general principle, there is an expectation that the vast majority of jobseekers will commence in Intensive Support or other Job Network services by 13 weeks - if not sooner. To this end, the Personal Adviser will need to work more closely with these customers. If however, after 13 weeks the customer still has acute non-vocational barriers, then the deferment from the Job Network may be extended in exceptional circumstances if the customer is participating in a program or activity that addresses those barriers. Personal Advisers must still give these customers the opportunity to participate in Job Network if they wish, with no requirements to undertake Job Search or Intensive Support.
- Parallel Servicing (Job Network assistance plus Personal Adviser working on non-vocational barriers):
  - those with less serious non-vocational barriers. Customers eligible for Intensive Support are referred to an Intensive Support Provider. In some cases a parallel servicing arrangement may be required to ensure non-vocational issues are stabilised. During this time the Personal Adviser will work with the person to help stabilise their non-vocational barriers, while the JNM works on the vocational issues. It is very important that the Personal Adviser and the JNM have a good working relationship and are able to work together collaboratively in order to achieve the best outcome for the person. Parallel servicing will continue until the customer's less serious non-vocational barriers have been stabilised or are able to be managed by the Intensive Support Provider. Personal Advisers should aim for this to happen as soon as possible.
- Parallel Servicing with short trial of the Job Network:
  - those who have previously had their Job Network participation deferred. These customers are not penalised or kept out of the Job Network if they are unable to meet Job Network requirements. Trial period is usually 2 weeks, but may be extended until the Personal Adviser and customer are satisfied that the person is able to participate fully in the Job Network. This will be at the point where the Personal Adviser considers that the person is able to comply with Job Network requirements and is satisfied that their personal barriers have been stabilised enough for them to take the next step forward.

The goal for those customers in the last 4 groups is to improve their circumstances over time, so that they will eventually be ready to participate in the Job Network unassisted and/or ultimately gain paid employment.

Where a customer develops or manifests acute non-vocational barriers (i.e. major health problems,

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domestic violence, homelessness etc) while participating in Intensive Support, the JNM assesses whether they can assist the customer within Job Network or need to refer them back to Centrelink. The JNM and Centrelink consult each other on the most appropriate form of assistance for the customer. This might include:

- referring the customer for a JSCI Supplementary Assessment (JSA),
- referring the customer to other services (for example, a social worker, PSP, FaCS disability employment services etc),
- parallel servicing arrangements, or
- deferral of continued participation in Job Network.

Where a customer becomes due for their initial or follow-up Personal Adviser interview, it should not be conducted if the person is in Customised Assistance. It should instead be scheduled for a time after the person has completed Customised Assistance.

**Act reference:** SSAct section 601 Activity test, section 604 NSA activity agreements, section 605 NSA activity agreement -requirement, section 771HA(1) Recent workforce experience - PA

**Policy reference:** The Guide 3.2.7.10 Who Does Activity Testing Apply to?, 1.1.P.57 Participation Agreement, 1.1.R.80 Recent workforce experience (PA, MAA, WA)

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Date this topic last updated: **22 September 2003**

*3.2.13.40 Terms of the Participation Agreement (NSA 50+)*

#### Summary

This topic contains information regarding the following:

- appropriate activities,
- job search,
- voluntary work and paid work to satisfy the activity test,
- creative solutions,
- current activities, and
- activity examples.

A participation agreement can include one or more of a range of activities set out in SSA (s606(1)):

- job search,
- vocational or pre-vocational training course,
- training that would help in searching for work,
- paid work,
- measures designed to eliminate or reduce any disadvantage or barriers the customer has in relation to obtaining work,
- voluntary participation in a WFD program,
- participation in a LMP,
- participation in the PSP,
- participation in a rehabilitation program,
- course of education, or
- another activity regarded by the Secretary as suitable and which is agreed to by the Secretary and the customer.

Medical treatment is not acceptable as a compulsory term of the agreement. Health maintenance activities, however, such as hydrotherapy, may be considered if that is the most appropriate activity for the individual customer AND the customer agrees to participate in it. Where the customer is undertaking a medical treatment to address barriers to participation, this activity can be mentioned in the participation plan (i.e. as a voluntary activity), and the person's hours of required participation can be reduced as necessary.

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Generally, the requirement should be to undertake a specific number of hours of a particular activity within a particular timeframe (3, 6 or 12 months). Where this is not possible as the activity is a program or service that does not have a set number of hours (e.g. some programs such as Transition to Work), the requirement will simply be to undertake that program.

Appropriate activities

The intention of the participation agreement is to underpin the planning process established through the participation interview. Therefore, the goal for an agreement should be to capture a commitment to undertake activities that will help the person move along the pathway/s to employment and financial independence discussed at the interview. Each individual case will present a different starting point and potentially different goals to move towards. This means that for each person a tailored selection of suitable activities should be negotiated and agreed. There is also flexibility available to balance different activities by allowing more than one activity to be included in an agreement.

In setting the terms of a participation agreement, the Personal Adviser must be satisfied that those terms are intended to assist the person, over time, in moving towards economic activity such as employment, education or training. The main criteria for deciding whether an activity is appropriate for inclusion in a participation agreement is that:

- the activity is the best available activity, for the person, at the time, to move them towards future economic participation.

Wherever possible, activities outside of the Job Network, that are included in a participation agreement should be jointly selected and agreed by the person and the Personal Adviser. Ultimately, the decision in each case regarding what is or is not an appropriate activity lies with the Personal Adviser who must be satisfied that the terms of the agreement are appropriate and suitable in the context of the individual's circumstances. Where there is capacity and opportunity for the person to participate in suitable activities, but the person chooses not to agree to participate, the person would no longer be qualified for payment. If such a decision is made the customer may exercise their rights to review and/or appeal if they feel an error has been made.

***Example: Where the Personal Adviser establishes that a customer has both capacity and opportunity to pursue vocational activities such as training or work experience, coaching a local junior sporting team would be unlikely to offer significant benefits in moving the person towards eventual employment. In this circumstance, coaching a junior sporting team would not normally be considered an appropriate activity to meet the participation requirement. If the customer refused to consider any activity other than coaching a sporting team to meet their requirement, they could be considered to be refusing to enter an agreement, and possibly subject to an activity test breach.***

It is important for the Personal Adviser to be aware that for some people, economic participation may not be a realistic goal in the short to medium-term. For these people, the Personal Adviser should consider social activity options for the customer. This is not activity for activity's sake however. Many social activities offer the opportunity for people to gain confidence, social skills and connections to their community, all of which can be seen to improve their situation, over time, so that they have a better chance of eventually being able to participate economically. Social activities should be set with a view to improving the person's capacity to engage in economic activities in the longer-term.

Some activities may be suitable for some customers to undertake but not for others. This is because the activity included in a person's participation agreement must be the best activity for that individual to assist them, over time, in moving closer to economic participation.

***Example: Both Ron and Maggie want to use their involvement in a conversational group to fulfill their participation requirements. Ron has had a severe stutter since an illness a few years ago and is finding that regularly conversing with people he doesn't know well is helping***

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*his stutter to abate. This is likely to improve his prospects of economic participation, so (after taking account of Ron's other circumstances) the Personal Adviser may choose to include this on his participation agreement. Maggie, however, has until recently been lecturing at the local university and is quite likely able to find work through some job search and updating her resume. The conversational group would not likely be an appropriate term of her agreement.*

#### Job search

While it is expected that the majority of mature age NSA customers will have a job search requirement, the SSAct allows for there to be times where a NSA customer aged over 50 is not looking for work, but may still remain qualified for payment. This includes the time from when they first claim payment to when they negotiate their participation agreement.

Under section 595(1A) of the *Social Security Act 1991*, people aged 50 and over who are not working, and who have not yet been asked to enter into a participation agreement, or who are not unreasonably delaying entering a participation agreement, are considered to be unemployed for the purpose of NSA qualification.

In addition, customers who have been identified as having had no recent workforce experience when they claimed payment (3.2.13.10), and those with severe barriers that make it unreasonable to expect that they can seek paid work, will not necessarily have a job search requirement. It is at the Personal Adviser's discretion, based on their assessment of the person's circumstances, as to whether to include a job search requirement in their participation agreement at this stage. Job search may be a longer-term goal for some customers than for others, but over time it is expected that the Personal Adviser will help the person work towards employment-focussed goals.

Where a mature age customer has a job search requirement, there is a maximum limit of:

- 10 job contacts per fortnight for those aged 50-59 and on payment for less than 9 months (This generally drops down to 4 after 3 months on payment as per younger job seekers). These customers will have their job search requirements calculated as per the rules for younger NSA customers (i.e. with allowances made for personal circumstances, other current activities, levels of part-time work etc),
- 4 job contacts per fortnight for those aged 50-59 who have been on payment for 9 months or more,
- 2 job contacts per fortnight for those aged 60 and over, or where undertaking an additional activity other than Intensive Support.

There is no minimum job search requirement.

**Act reference:** SSAct section 595 (1A) Persons may be treated as unemployed

#### Voluntary work & paid work to satisfy the activity test

Under section 603AA(1) of the SSAct, there is provision for people aged 50 or over to undertake particular kinds of voluntary work or a combination of voluntary and part time work without needing to report job search to Centrelink.

A person who has reached 50 years is taken to satisfy the activity test if the person:

- is engaged in approved full-time unpaid voluntary work for an approved organisation for at least 32 hours per fortnight, or
- is engaged, for at least 40 hours per fortnight in a combination of:
  - - approved unpaid voluntary work for an approved organisation, and
  - - suitable paid work.

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Customers undertaking full-time voluntary work are already meeting the activity test in its entirety which means they cannot be compelled to undertake any other activity in addition to this, such as job search or services such as the Job Network. They must, however, still be available and willing to undertake paid work if it is offered to them.

In addition, under section 602 of the SSAct, people aged 50 and over (and who have been receiving income support payments for 12 months or more) may not have to look for work if they have part time work that pays over 35% of average weekly earnings.

Full-time voluntary work is not the only type of voluntary work that a mature age person can use to satisfy the activity test. Other options include:

- the community work program,
- voluntary work with an approved organisation (or a combination of voluntary work and other activity) up to a maximum of 150 hours over 26 weeks,
- voluntary work with a non-approved organisation (or a combination of voluntary work and other activity) up to a maximum of 150 hours over 26 weeks, and
- informal voluntary work (or a combination of voluntary work and other activity) up to a maximum of 150 hours over 26 weeks

These options will generally be combined with job search as appropriate ([3.2.13.30](#)).

Informal voluntary work may not involve an organisation at all. It may simply be an activity that the person does that benefits the community and improves their situation at the same time. For some customers, they may already be doing the activity and not even consider it to be voluntary work. Examples might include running errands for elderly neighbours, maintaining public sites such as cemeteries, advocating on behalf of others in the community etc. Where the activity is considered to be helping the person move closer towards economic participation, it can be included in the participation agreement.

Where a customer has identified that they want to do voluntary work, but are not already undertaking it, and are unsure of what sort of voluntary work they would like to do, Volunteering Australia (VA) volunteer referral centres will be able to assist. This is the preferred approach as VA refers to approved organisations who have met their standards in terms of providing a quality experience for volunteers.

While voluntary work can be a very valuable experience, Personal Advisers should not use this (or any other activity) as a default participation option. Voluntary work must only be approved where it is appropriate and the person has clearly chosen this as their activity.

**Act reference:** SSAct [section 603AA](#) Relief from activity test-people engaged in voluntary work, [section 602](#) Relief from activity test-certain people over 50 in employment

#### Creative solutions

It may be useful for Personal Adviser to consider options other than those generally suggested to customers. For example, rather than suggesting 'applying for jobs' it may be appropriate to encourage the person to think about finding ways to make money from things they already do or enjoy doing, perhaps thinking about a combination of things that they could potentially earn income from. While the Job Network is usually the best source of this type of employment information, the Personal Adviser will be able to help mature age people think about these options as a starting point or to help motivate the person to participate.

Other options that the Personal Adviser may wish to consider include referring a person to a [FIS](#) officer for information on financial planning, or accompanying a friend to work as work experience. It will depend on the customer's individual circumstances, but creative solutions can often be found for customers who need them.

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Current activities

In some cases, a customer's current activities may be seen as clearly helping the person progress towards economic participation. In others, while the person may have a lot of activities on the go, it may be unclear as to how the person could use these activities to help them become more job-ready. If the current activity in question is one that could help the person move towards economic participation, it can be included in the participation agreement. If not, the customer will need to take on some new activity that will help them progress towards economic participation.

Where the customer is caring for another person, the caring activity may only count towards meeting their requirement where it is considered that it will improve their prospects of economic participation. (Note – this will rarely be the case). If this is not the case, the person may have their hours of required participation lowered to take into account their caring role. The same rules apply for people serving CSO.

***Example 1: Dyung spends a few hours each day caring for her mother who is frail and living in a nursing home. Often she helps out running errands for other people in the nursing home too. She has been doing this for a while, particularly since her husband died a couple of years ago. Dyung finds the experience to be very rewarding. When she is no longer caring for her mother she would like to get paid work as an occupational therapist, and has plans to start a part-time training course in the new year. In this case, the experience of caring for her mother can be considered to be helping Dyung improve her employment prospects, and so can be included on her participation agreement and recognised as fulfilling her participation requirement.***

***Example 2: Martin spends 2-3 hours per day caring for his wife who is seriously ill. As he does not meet the qualification criteria for CA, he is receiving NSA and must meet the activity test. Martin has had some past experience in sales, but this was some time ago now. Martin's Personal Adviser tells him about a sales course that he can do via correspondence. In this way he can study from home. The Personal Adviser reduces Martin's requirement from 150 hours over 26 weeks to 78 hours over 26 weeks (an average of 3 hours per week) in recognition of his caring responsibilities (3.2.13.50). In his case, the caring responsibilities are not helping him to improve his employment prospects, and therefore will not be included in his participation agreement.***

Only the activities included in a participation agreement may count towards the target total hours of participation. Other activities taken up since the agreement was signed will not count towards the total unless the participation agreement is renegotiated to include them. If a customer later wishes a different activity to be included in their participation agreement, or to replace existing activities, they may ask for the agreement to be renegotiated and the new activities added.

Activity examples

The following table is intended purely as an example of the sorts of activities Personal Advisers may consider for inclusion in a participation agreement. It is not intended as an exhaustive list, as any activity (with the exception of medical treatment) may be included in the Agreement as long as it is 'the best available activity, for the person, at the time, to move them towards future economic participation'.

<b>ACTIVITY EXAMPLES</b>	
<b><i>Note: Activities should only be agreed where they are considered to be improving the person's economic participation in the short, medium or long-term.</i></b>	
Job search	Intensive job search

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Community Development Employment Project	Personal support programme
Intensive Assistance	Social work services
Disability employment services	Counselling (group, family, relationship, personal, substance, trauma, etc)
CRS Australia (Rehabilitation)	Group co-operative enterprises
Language, Literacy & Numeracy Program	Community Work Program
Self-employment development	Providing mentoring (formal or informal)
Pre-NEIS training	Coaching sports or recreational activities
Green Reserve	Formal retirement planning
Work for the Dole	Caring for children (could be grandchildren, own children, others' children)
Advanced English for Migrants Program	Caring for adults (a parent, spouse, family member or friend – or could be through an organisation or local council)
Pre-vocational training	Active membership of a community organisation
State-based, community or neighbourhood program	Non-vocational study or training
Career Counselling	Community service order
Vocational education or training course	University of the Third Age
Attendance at seminar (eg job search, confidence, motivation etc etc)	Voluntary work
Cultural activity or duty	Part-time paid work
Health maintenance programs	Transition to Work
Life skills course or program	New Apprenticeship Access Program
Rehabilitation	Grey Army
BITES – Basic IT Enabling Skills course for mature age people	Pro bono services
Reading or cultural transfer in schools	Financial counselling through Centrelink FIS Officers
Work experience	Relocation plus intensive job search
Rural/remote specific activities (clearing airstrip, feral species culling, sports clinics etc)	Defence Force Reserve Service
Emergency Services	Apprenticeship
Parents & Citizens Association	Resume writing
Aboriginal Student Support and Parental Awareness	Assisting with community awareness programs (as community partner)
Conversational groups	Arts activity
Advocating for others	Training through JET funding

**Act reference:** SSAct section 606(1) Newstart Activity Agreements – terms, section 593 (2B) Qualification for newstart allowance, section 595 (1A) Persons may be treated as unemployed,

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section 771HA(1) No Recent Workforce Experience (PA), section 603AA Relief from activity test-people engaged in voluntary work, section 602 Relief from activity test-certain people over 50 in employment

**Policy reference:** The Guide [3.2.13.10](#) Background to the Policy (NSA 50+)

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Date this topic last updated: **22 September 2003**

*3.2.13.50 Participation Support - Hours of Participation & Exemptions (NSA 50+)*

#### Summary

This topic contains information regarding the following:

- benchmark hours,
- banking hours of participation,
- reducing hours of participation, and
- exemptions.

#### Benchmark is 150 hours in each six months

Where a more flexible approach is being applied, the benchmark requirement for activities included in a participation agreement for these customers is a total of 150 hours in each 6-month period. The hourly requirement can be set at a lower level if necessary, however (see below). The hours of required activity can also be set on a pro rata basis to fit in with the person's interview cycle (i.e. 150 hours over 6 months = 75 hours over 3 months = 300 hours over 12 months, or 100 hours over 6 months = 50 hours over 3 months = 200 hours over 12 months).

#### Banking hours of participation

Providing they complete at least the required number of hours of the agreed activity/ies (usually 150 over each 6 months), mature age customers have flexibility to manage their time by 'banking' hours spent in agreed activities. In this way, they could do a higher number of hours than the average for a period, so they can reduce participation at other times if needed.

Although the maximum requirement averages out at about 6 hours per week, customers should be encouraged to plan to do more than the average in a normal week. This will allow for times when they may not be able to do the activity concerned, e.g. to care for a sick relative or if the activity is unavailable (say during quiet periods for casual work).

***Example: Jan's agreed activity is to do part-time voluntary work at her local youth drop-in centre. By doing 10 hours a week of voluntary work, she completes her 150-hour requirement in only 15 weeks. This gives her up to 11 weeks in each 6 months in which she doesn't need to participate in voluntary work to meet her participation requirements. She might still choose to do voluntary work during this time but there is no need to, from the perspective of her participation requirements.***

#### Reducing hours of participation

The benchmark figure of 150 hours participation may be reduced if it would be unreasonable to expect the customer to complete this amount of activity. A reduction to the total hours expected over the period should normally only be considered where the affecting circumstances will last for an extended period of time greater than 4 weeks. If the circumstances preventing a person from complying with an agreement are likely to last for 4 weeks or less, this should normally be dealt with by banking hours of participation.

Situations where the requirement may be reduced include, but are not limited to, those where the person:

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- suffers an extended period of illness, or has other circumstances which would limit their capacity to participate – AND they are not eligible for a Newstart activity test exemption,
- is required to provide increased care for another person,
- is required to undertake another compelling obligation such as a community service order, jury duty etc.,
- has limited opportunity to undertake an activity meeting the benchmark due to locational or other circumstances.

It will be at the discretion of the Personal Adviser, based on the capacity of the person, as to what level the hours of activity will be set.

#### Exemptions

The standard NSA activity test exemptions also apply to people aged 50 and over (3.2.13.70).

Where a person is eligible for an activity test exemption for part of the period, or is nil paid for part of the period, this time will count towards meeting the requirement at the average weekly rate.

***Example: Eric is ill and is granted a temporary incapacity exemption for 2 weeks after lodging a medical certificate with his Personal Adviser. His participation agreement currently requires him to spend 150 hours over 26 weeks providing formal mentoring to young people. Rather than renegotiating the participation agreement, Eric's exemption will count towards meeting his requirement at the rate of 6 hours per week (150 divided by 26 weeks), to a total of 12 hours.***

**Act reference:** SSAct section 603A Relief from activity test-special circumstances, section 542E Remote area exemption, section 603(2) Relief from activity test general, section 603C(1) Incapacitated person not required to satisfy activity test

**Policy reference:** The Guide 3.2.13.70 Participation Support - Exemptions and Deferments (NSA 50+), 3.2.9.40 Special Circumstances Activity Test Exemption, 3.2.9.30 Remote Area Activity Test Exemption, 3.2.9.10 Temporary Incapacity Activity Test Exemption, 1.1.T.70 Temporary incapacity for work.

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*3.2.13.55 Participation Support - Monitoring & Compliance (NSA 50+)*

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Date this topic last updated: **22 September 2003**

*3.2.13.60 Participation Support - Non-Compliance (NSA 50+)*

#### Summary

This topic contains information regarding the following:

- non-attendance,
- failure to negotiate an agreement,
- failure to comply with agreement, and
- waiver of breach penalty.

It is important to ensure that participation expectations are clear to the customer and that the consequences of not meeting their requirements are understood from the outset. Customers may be subject to breach penalties if they do not have an acceptable reason for not attending compulsory review interviews, or not preparing a participation plan, or not returning the participation record or not meeting other terms of their participation agreement. It is important to note that where the person has made a genuine effort to meet their requirements, penalties should not be applied. It is also possible for the customer to have the remainder of a breach penalty waived once they begin to comply with their requirements.

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Non attendance

Customers who do not attend an initial interview, a follow-up interview or a progress check may be subject to an administrative breach if they did not have a good reason for not attending. The Personal Adviser must make every effort to discuss the reason for non-attendance with the person and to try and uncover whether or not the person had any barriers to compliance. The breach process should only commence where the person is clearly choosing not to comply with Centrelink's request to attend an interview. The suspension and breach process to be followed is the same as that for other NSA customers.

Failure to negotiate an agreement

Where a customer unreasonably delays entering into their agreement or where they simply refuse to sign the agreement, they may be subject to an activity test breach, if no good reason can be found. Personal Advisers must make every effort to find out from the person why they failed to meet their requirements and to try and uncover whether there are underlying problems that are influencing their behaviour. The breach process should only commence where the person is clearly choosing not to participate. The suspension and breach process to be followed is the same as that for other NSA customers.

A customer who does not wish to sign an agreement at the time it is first prepared can be given time to think about their agreement. In these cases a second interview is booked with the Personal Adviser for two working days after the initial appointment date.

Failure to comply with agreement

Where a customer cannot show that they have taken reasonable steps to comply with the terms of their agreement, they may be subject to an activity test breach if they have no good reason for non-compliance. The Personal Adviser must make every effort to find out from the person why they did not take reasonable steps to comply with their agreement and to try and uncover if there are underlying problems that are influencing the customer's behaviour. The breach process should only commence where the person is clearly choosing not to participate.

Personal Advisers should review the person's requirements when considering whether to apply a breach. Breaches should not be applied where the requirement that was set was not reasonable for the person to comply with. Where it is found that the person has been taking reasonable steps to comply with their requirements but has simply had difficulties complying, there is to be no action. Instead, the Personal Adviser will renegotiate the agreement terms to something that the person is capable of complying with.

***Example: Darryl attends his first 3 monthly progress check interview with his Personal Adviser. When the Personal Adviser reviews Darryl's participation agreement he sees that Darryl was required to attend a training course for 150 hours over a 6-month period. Darryl attended irregularly for the first 5 weeks (to a total of 22 hours) and then stopped going altogether. When the Personal Adviser asks Darryl to explain what happened, it becomes clear that Darryl has been having some problems with alcohol (issues around his retrenchment 6 months ago seem to have triggered this initially). Darryl is willing to deal with the issue of his alcoholism, as he has never had this problem before and considers it to be something he needs to deal with sooner rather than later. He agrees with his Personal Adviser to a renegotiated participation agreement consisting entirely of 20 hours of counselling over the next 3-month period. No breach is applied.***

Where the customer has an agreement for up to 150 hours of activity, and reaches within 10% of their target hours, the Personal Adviser may give them one extra fortnight to complete the remaining hours, before instigating any breach action. Where the person does complete their remaining hours within

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the two weeks, the Personal Adviser may consider the person to be taking reasonable steps to comply with the terms of their agreement.

The suspension and breach process to be followed is the same as that for other NSA customers.

**Waiver of breach penalty**

The remainder of one of the above breach penalty periods may be waived as soon as the customer starts or resumes taking reasonable steps to comply with: a notice to attend an interview, or

- the terms of a current participation agreement, or
- if the customer does not have a current agreement, the participation agreement that was in force when the penalty period commenced, or
- if there is no possibility that the person can now meet the terms (e.g. where it is too late to enrol in a course), the Personal Adviser may renegotiate the agreement with the customer and set another short-term action for them to comply with.

The waiver applies only to the penalty period. The breach itself remains on the person's record and would continue to count as a prior breach for the purposes of determining the appropriate penalty for any subsequent breach. Breaches can be waived even if incurred before 20 September 2003, as long as the person was 50 or over at the time the breach was incurred. When applying a waiver, payment is to be immediately restored to the normal rate from the date the person starts taking reasonable steps to comply.

***Examples of what might constitute taking reasonable steps in this circumstance could include the following:***

<b><i>Activity</i></b>	<b><i>Example of taking steps to comply</i></b>
<b><i>Attend interview</i></b>	<b><i>Actual attendance at re-booked interview (note that interview is to be booked as soon as possible after the first one).</i></b>
<b><i>Education or training course</i></b>	<b><i>Provide evidence of enrolment.</i></b>
<b><i>Transition To Work, PSP</i></b>	<b><i>Making an appointment to see the Transition To Work or PSP provider.</i></b>
<b><i>Job Search</i></b>	<b><i>Completing the registration process with their local JNM, or providing proof of job search.</i></b>
<b><i>Approved voluntary work</i></b>	<b><i>Registration with Volunteering Australia, commencing voluntary work.</i></b>
<b><i>Community Work or WFD</i></b>	<b><i>Make an appointment to undertake registration with a community work coordinator.</i></b>
<b><i>Paid work</i></b>	<b><i>The work has started.</i></b>
<b><i>Personal counselling or rehabilitation</i></b>	<b><i>Contacting the counselling or rehabilitation provider and making an appointment to attend.</i></b>
<b><i>Informal volunteering or community activity</i></b>	<b><i>The activity has started.</i></b>

Where the customer has an activity test exemption at the time the breach is imposed, (and is therefore unable to comply with their requirements in order to have the penalty waived) the remaining penalty is waived immediately regardless.

Where a customer has had a penalty imposed, the responsibility for demonstrating that they have subsequently taken steps to comply rests with them. The customer should be asked to provide some evidence of having taken steps. In some cases – e.g. making an appointment with Job Network, a

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Transition to Work provider or community work coordinator – evidence may be available from Centrelink administrative systems. In other cases, the person may wish to provide evidence of an appointment having been made or interview having taken place. Payslips or time sheets or a casual work contract might be suitable evidence where paid work is involved.

In some cases a customer may request that Centrelink contact the organisation or employer involved to confirm their attendance or participation. This may be done but only with the explicit request and authority of the person.

**Act reference:** SSAct [section 630A](#) Activity test non-payment periods, [section 644A](#), [section 644B](#), [section 607](#) Newstart Activity Agreements-failure to negotiate, [section 625](#) Activity test penalties for failure to enter Newstart Activity Agreement, [section 626](#) Activity test penalties for failure to comply with Newstart Activity Agreement

**Policy reference:** The Guide [1.1.B.90](#) Breaches (NSA, YA, Austudy), [3.2.11.20](#) Administrative Breach Penalties, [3.2.11.10](#) Activity Test Breach Penalties

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*3.2.13.70 Participation Support - Exemptions & Deferments (NSA 50+)*

#### Summary

This topic contains information regarding the following:

- deferring interviews, and
- activity test exemptions.

#### Deferring interviews

In most circumstances, there is little need for the customer to defer the participation interview. Interviews can be rescheduled and, where a Personal Adviser has given a customer an exemption from their participation requirements, the customer's Personal Adviser interview should be deferred until the end of their current exemption period.

Circumstances where a person may need a deferment are:

- Where the customer is undergoing rehabilitation prior to the initial Personal Adviser interview,
- Where they have an assessment pending prior to the initial Personal Adviser interview,
- Where there is a specialist referral pending prior to the initial interview,
- Where they have been coded as refugee prior to the initial Personal Adviser interview, and
- Where the customer lives in a remote area and has difficulty attending the initial Personal Adviser interview.

**Note:** These reasons are for new claimants only, as in other cases, the Personal Adviser is to determine the interview timing based on the customer's individual circumstances and needs in any case. People are not be expected to attend interviews in circumstances where it would be unreasonable, but every effort needs to be made to see them with as little delay as possible.

#### Activity test exemptions

Normal [NSA](#) activity test exemptions (for reasons such as incapacity and personal crisis) still apply to customers aged 50 and over. Under the arrangements for older NSA allowees, there is less need for exemptions to be applied however, as participation requirements can be individually tailored. There is also a much broader range of activities available. Participants' hours may be reduced where needed to take into account circumstances such as caring responsibilities and level of personal capacity. It is important to note that participation agreements can be renegotiated at any time if someone is having problems meeting their agreement.

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While the Personal Adviser is not the only Centrelink officer with the delegation to apply an activity test exemption, any changes to participation requirements for a NSA customer aged 50 or over, (including the application of an exemption) must at least have been agreed to by the customer's Personal Adviser. Personal Advisers are also encouraged to seek the assistance of Incapacity Customer Service Officers (Participation Advisers) where practical in making incapacity exemption decisions. This will be particularly important, as there are high numbers of people with disabilities in the mature age group.

While a customer has an activity exemption that has been set by the Personal Adviser, they should not be asked to attend a participation interview. They may however be called in for a participation interview while on an exemption set by another officer. This will allow the Personal Adviser an opportunity to provide any other assistance necessary to the customer at the time.

Where a customer turns 50 (and therefore becomes eligible for Personal Adviser assistance) while on an exemption, they will still be seen for their initial participation planning interview.

**Act reference:** SSAct [section 603A](#) Relief from activity test-special circumstances, [section 542E](#) Remote area exemption, [section 603\(2\)](#) Relief from activity test general, [section 603C\(1\)](#) Incapacitated person not required to satisfy activity test

**Policy reference:** The Guide [3.2.13.70](#) Participation Support - Exemptions & Deferments (NSA 50+), [3.2.9.40](#) Special Circumstances Activity Test Exemption, [3.2.9.30](#) Remote Area Activity Test Exemption, [3.2.9.10](#) Temporary Incapacity Activity Test Exemption, [1.1.T.70](#) Temporary Incapacity for Work.

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Date this topic last updated: **22 September 2003**

*3.2.13.80 Participation Support & Portability (NSA 50+)*

NSA recipients over 50 years old can be paid during any temporary absence from Australia for up to 26 weeks if they can meet the activity test already set for them and if they have an agreement that does not include a job search requirement. They must be advised that they will need to see their Personal Adviser before they leave, however, to be advised as to whether or not they are able to travel overseas without incurring a breach.

An agreement should not be amended, however, solely in order to allow the person to travel while receiving NSA. While it may be possible for a customer to meet their participation requirements while overseas (for example, by doing voluntary work), customers should not be encouraged to go overseas for extended periods while receiving NSA.

Customers will not be called in to progress checks or follow-up interviews while overseas, but the Personal Adviser should attempt to contact the person and book an interview when the customer is due to return. Where the return date is unknown, an interview should be scheduled for 26 weeks after the date of departure.

**Act reference:** SSAct [section 1217](#) Meaning of maximum portability period, allowable absence and portability period

**Policy reference:** The Guide [7.1.5.60](#) Portability Table

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Date this topic last updated: **22 September 2003**

*3.2.13.90 Participation Support – Reporting (NSA 50+)*

Newstart allowees aged 50 and over may report their earnings every 3 months, unless they have variable earnings from employment or a debt to the Commonwealth. In these circumstances fortnightly reporting is required. People who are returning forms on a 3-monthly basis will still be required to notify Centrelink of any change of circumstances that may affect their entitlement when it

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occurs. The return of the participation record should be timed to coincide with the return of income statements wherever possible.

While the system will automatically place these people on 12 weekly reporting, it is important to note that some people prefer to report fortnightly. Where someone requests to lodge fortnightly they are always given the opportunity to do this.

**Act reference:** SSAct section 600 Prospective determinations for some allowance recipients

**Policy reference:** The Guide 3.2.1.80 Variable Reporting for NSA

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*3.5.1.240 Participation Agreements – Requirement to Enter (PP)*

This topic provides information on the requirement to enter into a participation agreement and includes:

- policy objective,
- basic requirement,
- no requirement before 6 months on payment,
- exemption from requirement – child with a severe disability,
- periodic (temporary) exemptions,
- discretion not to require an agreement or to defer entry into an agreement,
- CDEP participants not to be required to enter into an agreement,
- international agreement customers, and
- saved pension PPS customers living permanently overseas.

Policy objective

The aim of the requirement to enter into a participation agreement is to encourage parents to engage with the participation planning and support available through Centrelink and other service providers. Through that help, it is intended that parents will be helped to enhance their readiness for future employment. It is not the aim of the policy to penalise people unnecessarily. As a general rule, the focus when administering this policy should be on planning for the future and moving forward to improved skills and greater levels, or quality, of participation. Penalties are only to be applied as a last resort where the person clearly chooses not to enter into an agreement or take steps to comply with the terms of an agreement and does not have circumstances that would make such engagement unreasonable.

Basic requirement

A PP customer may be required to enter into a participation agreement if:

- the person's or their partner's youngest PP child is aged 13 or over, and
- the person is not exempt from the requirement due to the severe disability or care requirements of their child/ren.

The person must be notified in writing that they are required to enter into a participation agreement.

If required to enter into a participation agreement, the person must:

- enter into a participation agreement when required to do so,
- take reasonable steps to comply with the terms of the participation agreement while it remains in force, and
- be prepared to enter into another participation agreement instead of the existing one if required to do so.

**Act reference:** SSAct section 501 General requirements relating to participation agreements, section 501A Parenting payment participation agreements – requirement

No requirement before 6 months on payment

A person is only to be required to enter into a participation agreement if they have been continuously in receipt of income support payments for 6 months or more. This balances an early intervention approach with allowing new claimants time to start addressing any crisis or other issues linked with their entry into income support before being asked to think about planning for a return to the paid workforce.

For the purpose of assessing whether the person has been receiving an income support payment for 6 months or more, periods in receipt of another pension or benefit are to be counted. Any breaks in

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receipt of income support payments of up to 13 weeks should be counted towards the payment duration. If the person has had a break in receipt of income support payments of more than 13 weeks, their period on payments should be calculated from the day payment was granted following the break.

**Already has 6 months duration at grant**

If, at the time of claiming or transferring to PP, the person already has 6 months continuous receipt of income support, processing of the claim should generally not be delayed. The person should be asked to enter into an agreement at the earliest possible opportunity following grant of the payment.

However, if the person had previously been receiving PP and this was stopped due to a failure to negotiate a participation agreement when required. If payment was stopped up to 13 weeks prior, a new claim is not necessary. A new agreement should be completed BEFORE restoring payment. PP should be restored immediately an agreement is in place and arrears paid back to the date payment was suspended.

If payment was stopped more than 13 weeks prior, PP should be granted from the date of the new claim and no arrears paid. Because the break is more than 13 weeks, the person would not be considered to have 26 weeks continuous receipt. Once payment has been granted they will have a further 26 weeks before being required to enter into an agreement.

Exemption from requirement – child with a severe disability

A person is not required to enter into a participation agreement if they have a child with a severe disability. The definitions of 'exempt person' in the legislation draw on the qualification criteria for CP and CA – i.e.:

- a parent who has one or more PP children that would qualify the parent to receive CP (section 501A(2)(a) and (b)), and
- a parent who has a PP child with a 'recognised disability' that would automatically qualify the parent to receive CA (section 501A(2)(c)).

The person is not required to claim CP or CA to be given an exemption but would need to demonstrate that their children meet one of the criteria above. In effect this requires the same assessment process as a claim for the relevant payment, including any medical practitioner input needed to complete the assessment process. A person who qualifies for an exemption but who is not receiving CP or CA, may wish to consider claiming the relevant payment but is not required to do so.

Periodic (temporary) exemptions

Wherever possible, a participation agreement should be developed, rather than exemptions being considered as this may lead to the person missing out on the benefits of the support and help available. A high degree of flexibility is available to structure appropriate and achievable terms. This includes the capacity to endorse a very wide range of activities and reduce the hours of activity required where necessary.

However, where it is not possible to structure an agreement with terms that the person could reasonably be expected to meet, a temporary exemption from the requirement to enter into a participation agreement may be provided for a specific period, on a case-by-case basis and at the request of the customer, if either:

- the person has a PP child with a disability or illness that would not qualify the parent as an 'exempt person' but who has care needs that would prevent the person meeting the terms of a participation agreement for a time (exemption may be for up to a maximum of 12 months), or
- the person has suffered a critical event and as a result would be temporarily unable to meet the terms of a participation agreement (exemption may be for up to a maximum of 26 weeks).

***Examples of critical events that could lead to such a situation would include but are not***

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*limited to:*

- *family or personal crisis (e.g. child in the court system, current child custody or access court proceedings, death or serious injury of a child, eviction from home, discovery of child abuse, incident of serious violence on the person),*
- *separation from a marriage-like relationship, or*
- *an accumulation of several different issues which, in combination, form a critical situation for that person.*

In each case, a temporary exemption should only be granted where the person could not reasonably be expected to meet even a reduced or modified participation requirement as a result of the impact of the circumstances they are experiencing.

It would still be appropriate to expect the person to enter into an agreement where they:

- have capacity and opportunity to participate in a suitable activity, or
- are already participating in an activity that would be suitable for inclusion in an agreement, or
- will be undertaking activities to address their difficult personal circumstance that would be suitable for inclusion in an agreement.

Separation cases

In the case of a recent separation, an exemption may be granted for up to 26 weeks, free of consideration of capacity to participate, providing it is the first separation from the other partner. In cases where previous separations from the same partner have occurred, the capacity of the person to comply with the terms of a suitably structured participation agreement should be considered before granting an exemption. This is intended to ensure that parents aren't denied the opportunity to access participation support and advice as a consequence of difficult family circumstances. Extra care must be taken to ensure that the terms of a participation agreement negotiated with such a person are sensitive to their needs and circumstances. For example, for some people in this situation, looking for new and/or stable accommodation arrangements will be their main priority. If so, this could be included in a participation agreement as their only activity.

Person experiencing the impact of violence

Where a parent is coping with the impact of violence – particularly family violence on either themselves or their children - the impact of the physical and emotional stress on the person's capacity to engage effectively with a participation requirement should be carefully considered when deciding whether to allow an exemption. Customers seeking a temporary exemption on this basis should be given the benefit of any doubt about their capacity to engage with a requirement.

Accumulations of several difficult circumstances

To qualify for a temporary exemption as a result of having a combination of several different difficult circumstances, the total impact of the different situations must require a full-time effort to address.

In many cases it will be possible to structure agreement terms that acknowledge the actions the person is taking to address the situation. Where the person has identified medium to long-term goals through the planning process, actions taken to address current barriers can be seen as part of a pathway to an improved situation. Where this is the case, an agreement that places those current activities in the context of a longer term plan would usually be preferable to simply exempting the person from the requirement to enter into a participation agreement.

More than one temporary exemption available

Where necessary, a second or third (or more) temporary exemption may be applied consecutively. In each case, the person's current circumstances must be assessed and a judgment made as to

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whether they can now comply with the terms of a suitably tailored agreement. If they can, then no further exemption is to be provided.

The legislated exemptions only apply at the point of entry into an agreement. However, if a person's circumstances change after an agreement is in place, the agreement may be suspended for a period or cancelled, if necessary, based on similar considerations to those discussed above. Consistent with the rules governing temporary exemptions, the maximum period an agreement should be suspended is:

- until the next annual participation interview for child disability or illness, or
- up to 26 weeks for critical events or separation.

**Act reference:** SSAct section 501A(2A) Periodic exemptions, section 501B(5) Variation, suspension, cancellation and review

#### Discretion not to require an agreement or to defer entry into an agreement

It is open to the Secretary to simply not require entry into a participation agreement by a parent who would otherwise be eligible. This should only be done on a case-by-case basis where it would be unreasonable to expect the person to enter into or meet the terms of a participation agreement.

Circumstances in which this might be appropriate could include where:

- the person is being provided with participation support using an alternative approach to the normal one-on-one interview – such as through a community-based activity or outreach or remote community engagement,
- the person has a severe physical, psychiatric or intellectual disability that would make negotiating an agreement or monitoring of the person's participation in agreed activities meaningless,
- the person is a CDEP participant,
- Centrelink is unable to service the person due to extreme locational, transport or remote servicing issues.

The maximum period that a person should have their requirement to enter into a participation agreement deferred at any one time is one year. The decision about requiring entry into an agreement should be reconsidered at least once a year – either at the annual participation interview or, if no interview is to take place, at the time the decision is made not to require the person to attend an interview.

Where a decision is made not to require a person to enter into an agreement, no written notice requiring negotiation of an agreement should be issued. If one has already been issued, it should be withdrawn.

#### CDEP participants not to be required to enter into an agreement

Parents are NOT to be required to enter into a participation agreement if they are:

- participating in the CDEP scheme, and
- receiving payments of the CPS.

They should be offered access to an annual participation interview on a voluntary basis. They may also enter into a participation agreement if they wish. Where this occurs, CDEP participation ALONE is SUFFICIENT to satisfy a participation requirement regardless of the actual hours of work undertaken.

This recognises that in locations where CDEP is available, it is likely to be the best or only vocational participation option available. CDEP may also offer an opportunity to have a structured engagement with the workforce through training and employment assistance at the level achievable in the location concerned. This can include assistance through Indigenous employment centres where available.

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International agreement customers

A customer receiving PP in Australia under an international agreement is required to meet the same requirements as other PP customers, including a requirement to enter into a participation agreement if appropriate.

Saved PP customers permanently overseas

A customer who is receiving pension PPS overseas on a permanent basis is not to be required to enter into a participation agreement.

***Explanation: A very small number of PP customers living permanently overseas continue to receive payment under portability conditions that applied to 'special widow' sole parent pensioners prior to the introduction of PP on 20 March 1998. These customers are paid under a savings provision until they return to Australia as Australian residents.***

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*3.5.1.250 - Participation Agreements – Approved Activities (PP)*

Summary

This topic provides information on the allowable terms of participation agreements for parents and includes:

- general form and content of the agreement,
- approved activities,
- vocational focus where possible,
- job search should be encouraged,
- job search as an activity,
- job network,
- WFD and community work,
- voluntary work and other community based activities are acceptable,
- current activities that are suitable should be accepted,
- individual tailoring should allow all to identify suitable activities,
- non-vocational activities should generally be outside the home,
- foster care is acceptable as an approved activity,
- some activities can be included in an agreement or treated as a restriction,
- activities must be agreed in advance,
- cooling off period, and
- illustrative activity examples.

General form and content of the agreement

A participation agreement must be in writing and in a form approved for this purpose. The agreement records one or more vocational or non-vocational activities that the person agrees to undertake to continue to qualify for PP.

Under normal circumstances, a person is expected to agree to undertake 150 hours of these activities in each 26-week period. A lesser number of hours may be agreed where circumstances such as lack of local participation options, unusually high family caring responsibilities or limited personal capacity are a limitation on the person's ability to do 150 hours.

The agreement is relatively open-ended, running from the date it is signed until either payment of PP stops, the agreement is suspended or cancelled, or a new agreement replaces the existing one. It

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should be negotiated with a view to it being in place for at least 12 months, as it may not be formally reviewed until the next annual participation interview. If an activity included in the agreement is known in advance to be ending prior to the next annual interview, alternative activities should also be included, if possible. This will allow the person to continue meeting their requirements without having to renegotiate the agreement.

The agreement may form one part of a larger document that contains information about participation options considered, personal and vocational goals and possible longer-term vocational pathways. If so, the agreement component must be clearly and separately identified. Any activity commitment should be presented in such a way that the person's responsibilities and the consequences of not taking reasonable steps to meet the commitment are both clear and able to be easily understood.

**Act reference:** SSAct section 501B(1) Form of agreement

#### Approved activities

A participation agreement can include one or more of the following activities:

- job search,
- vocational or pre-vocational training course,
- training that would help in searching for work,
- paid work,
- measures designed to eliminate or reduce any disadvantage or barriers the customer has in relation to obtaining work,
- voluntary participation in a WFD program,
- participation in a LMP,
- participation in the PSP,
- participation in a rehabilitation program,
- course of education,
- another activity that the Secretary regards as suitable for the person, including voluntary work, and that is agreed to between the Secretary and the person.

Some of these activities are discussed further below. Illustrative examples of activities in each category are provided at the end of this topic.

**Act reference:** SSAct section 501B(2) Approved activities

#### Vocational focus where possible

In setting the terms of a participation agreement, the delegate must be satisfied that those terms are intended to assist the person, over time, in moving towards vocational activity such as paid employment – or to education or training as part of a pathway to an eventual goal of paid work.

The participation agreement is intended to support the planning process established through the participation interview. Therefore, the agreement should capture a commitment to pursue activities that will help the person move towards employment and financial independence as discussed at the interview – even if that is only a long-term goal.

Each individual case will present a different starting point and potentially different goals to move towards. This means that for each person a tailored selection of suitable activities should be negotiated and agreed.

Where possible, the focus of activities included in a participation agreement should be vocational (i.e. employment, employment skills development and maintenance, job search, training or education). However, for some parents, a truly vocational activity such as paid work or study may only be a long-

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term goal for the time being – whether due to lack of current skills or opportunity. In these cases, the focus should be on activities that will enhance the person's capacity to engage in vocational activities in the future – e.g. personal development, addressing any barriers to participation or community engagement.

***Example 1: Maud is a rural parent whose vocational goal is to start a clothing accessories manufacturing business to earn some off-farm income. However, she is unsure of where to begin and has no business plan at present. Entry into the NEIS program is not available in her area until the following year. For the time being the only suitable activity appears to be voluntary work helping the shire council organise and run the annual football carnival. In this case the voluntary work would be acceptable.***

***Example 2: Anna has been receiving PP for more than 14 years since she had her daughter Carmine at age 16. She has done a few short courses over the years and has worked part-time and been a volunteer for a few different organisations but doesn't believe she has any skills left that would be valuable to an employer. For the last 2 years she has not been involved in much outside the home as she has been worried about Carmine, now that she's a teenager and also feeling a bit depressed at times. In Anna's case, the key would be to help her consider what her longer-term objectives might be and then to look for an activity that is both do-able and can be seen as the beginnings of a pathway to the objective. For Anna, any of a wide range of activities that encourage her in the short-term to re-engage with other people would be suitable as an approved activity. Besides obvious things like self-esteem workshops or Transition To Work (if she expressed a desire to get a job in the immediate future), activities like informal volunteer work, health maintenance or personal grooming could be useful. Alternatively, even more formal activities such as community work or WFD – or CDEP if she were Indigenous – could be appropriate in some circumstances. The key is to encourage re-engagement as part of a pathway to an objective.***

**Act reference:** SSAct section 501(5)(a) Terms of agreement intended to assist

Job search should be encouraged

All parents who are required to enter into a participation agreement should be encouraged to think about their capacity and opportunity to look for work and the types of jobs they might eventually wish to get.

Those parents for whom employment is an immediate or medium-term goal (say in 1 to 2 years) should be encouraged to register for assistance through Job Network, including vocational profiling and job search support.

Hours of job search may be counted towards the total of approved activities undertaken. As a consequence, job search may be a useful inclusion in a participation agreement even where other activities have been identified. This will allow the parent to make up any hours deficit from the other activities by looking for work.

Job search as an activity

If job search is included as an approved activity, the time spent looking for work may count towards the total hours of activity. It may be used as the only approved activity or as one of several activities that the person can combine at their discretion. Time spent doing job search and related activities such as job interviews or work experience placements should be recorded in the participation record as evidence of satisfying the terms of the person's participation agreement

A parent may undertake job search in any way they wish. For example they could do it independently by looking in newspapers or local notice boards and applying for jobs by telephone or in writing, by cold canvassing employers in their local area or in the industry they wish to enter, by joining an employment agency. Alternatively they could use the services of the Job Network to help them.

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**Job Network**

Participation in the Job Network is voluntary and there is no requirement that the person must register with a JNM to use job search as an approved activity. However, parents should be encouraged to register with and use the services of Job Network at the earliest opportunity once they are genuinely intending to look for paid work. Under the active participation model, the level of individual help provided by a JNM will increase over time. The sooner the parent registers for help, the sooner they will qualify for the most intensive support. However, if the person is not yet committed to finding paid work, they will get little value out of job network services and would be better not registering until there is genuine interest.

If the parent registers with Job Network, their JNM will draw up a job search plan (JSP). This will be included within the overarching participation plan for the parent and sets out the things the person agrees to do to continue receiving help from the JNM. The JSP is separate to the participation agreement element of the participation plan and there is no penalty for failing to carry out specific activities included in a JSP. However, if the person stops engaging with their JNM, they will eventually be exited from JNM assistance and would need to meet their requirement in other ways or negotiate a different approved activity.

**WFD and community work**

WFD and community work offer an opportunity to gain work-based skills and experience in a monitored placement brokered by a CWC. The CWC will find an appropriate activity and support the person while they are undertaking the activity. The person will have the opportunity to earn training credits, with which they can purchase training following the completion of the placement.

Where the parent volunteers to participate in WFD or community work, they should be referred to a JNM, who will arrange their placement with an appropriate CWC. The CWC will arrange for participation in a suitable activity in the person's locality, taking into account any health, medical or personal issues relevant to their participation. It is important that any relevant issues be identified in the person's participation plan.

Once referred to the CWC, the parent will enter into an agreement with the CWC, which will set out the expectations for participation in the activity. Where the parent fails to take reasonable steps to meet these expectations (e.g. by consistently failing to attend the activity on expected days without good reason), action will be taken by the CWC to exit the person from the activity.

If the parent is exited from the activity by the CWC, they should contact Centrelink to arrange for a different activity to be included in their participation agreement.

Participation in WFD or community work may only be included if the person wishes to VOLUNTARILY enter and remain in the program. WFD can not be included as an agreed activity if the person has a medical condition that would be aggravated by their participation, if there are health or safety risks inherent in the work, or if they would be required to relocate their home in order to do the work.

**Note:** WFD is referred to in the Act as 'an approved program of work for income support payment'.

**Act reference:** SSAct section 501B(7) Work for the dole cannot be required in some circumstances

**Voluntary work and other community based activities are acceptable**

Voluntary work and community-based activities are acceptable as approved activities providing that in each case considered, the activity is helping the person become more ready to get a job or take up education or training. Voluntary work offers valuable opportunities for people to gain skills and experience that can be directly transferred into the workplace. A wide range of voluntary and community-based activity opportunities exist, many of which affected parents will already be doing.

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For those not yet involved, schemes such as the Voluntary Work Initiative and community work offer help in finding a suitable placement. Community work also offers the opportunity to earn training credits with which the parent can purchase training. In addition to these formal arrangements, many parents will find other less formal opportunities to participate in their community – either in local organisations or informally. Providing the activity meets the criteria of helping the person move towards paid work, education or training, it can be used as an approved activity.

Current activities that are suitable should be accepted

Many parents are already moving forward and preparing for an eventual return to the workforce as their children grow older. They may already be doing activities that would be suitable for inclusion in a participation agreement – e.g. working or studying part-time. In such cases the existing activity should be accepted, rather than asking the person to change their arrangements. As far as possible, the participation agreement should not disrupt the arrangements of those parents who are already moving forward and preparing for an eventual return to the workforce as their children grow older.

Where a parent is participating only in activities that offer limited value in moving towards employment, they should be encouraged through the goal setting, planning and motivating process to explore other activity options with more prospect of improving their employment prospects as their children get older. ***Example: While school tuck shop duty may offer a chance to practice a range of food preparation, organisational, retail and people skills, the learning value will be greatest in the first few years of participation. For someone who has already been doing tuck shop for many years, another activity that develops their skills further – such as a TAFE course or work experience – is likely to offer more benefit in preparing for the workforce.***

Individual tailoring should allow all to identify suitable activities

Because the activities chosen must be suitable for the individual and take account of the person's goals and support needs, it should be possible in virtually every case to identify a specific suitable activity or activities for inclusion in an agreement. All activities selected should be forward-focused, leading to reconsideration of goals at the next annual participation interview, when the person will have more experience, or more skills or more knowledge, etc.

As far as possible, the activities should in some way link back to the discussion of goals, barriers and pathways at the participation interview. But the skill of the Personal Adviser or JET Adviser will be best demonstrated in exercising creativity in identifying suitable opportunities for moving forward where none are immediately obvious.

Where the person has capacity and opportunity to do a suitable activity but is able to do so only for a limited time, the hours of participation expected of the person can also be individually tailored to a lower amount than the maximum.

Non-vocational activities should generally be outside the home

In general, non-vocational activities within the person's own home or family network are not considered appropriate for inclusion in a participation agreement.

Allowing the inclusion of non-vocational activities in a participation agreement firstly recognises that many parents will not be ready to participate in the paid workforce when they are first required to enter into a participation agreement. Non-vocational activities offer a stepping stone into the workforce by allowing people to address a particular barrier or develop new skills, networks and work experience in an environment less pressured than the paid workplace. Interaction with other people in an environment outside of the family home – even if only on an occasional basis – is an important contributor to the benefits to be gained from such activities.

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Home-based non-vocational activities such as childcare for grandchildren or a neighbour's children or home schooling, while valuable in their own right, would not generally be considered as helping the person prepare for entering paid work, study or training. Activities such as these could be included where the person is considering or working towards employment in that field – e.g. family day care or teacher's aide - but would otherwise be unsuitable.

Foster care is acceptable as an approved activity

Unless otherwise exempted, a parent who is a foster carer is still required to attend participation interviews and enter into a participation agreement. However, formally arranged foster care is acceptable as an activity that would satisfy the requirement.

To be acceptable as an approved activity, the foster care must be on behalf of the state. Foster caring arrangements differ from state to state but will normally be subject to a formal agreement arranged through either a state government community services department or an agency acting of their behalf. In most cases, foster carers are paid an allowance or reimbursement of expenses incurred.

In some cases, a state authority such as the police will request an informal foster care arrangement for a child with a relative. This would normally be on a temporary basis – e.g. in the wake of an incident that has led to the child's parent entering prison or hospital. Where the request by the authority can be confirmed, such arrangements can be recognised as an approved activity.

Other than this, informal foster care – e.g. nephews and nieces staying with aunts or uncles - is not suitable for inclusion in a participation agreement as an agreed activity. However, where the impact of such a family situation is significant, it may be considered something that would reduce the person's capacity to participate in approved activities. If this were the case the target number of hours of approved activities expected could be reduced in recognition of the difficulty. See item Reduced target hours in some cases in (3.5.1.260) Participation Agreements – Hours of Activity (PP).

Custody arrangements endorsed by the courts, where the child becomes the dependent of the new parent, are not to be considered as foster care for the purposes of this policy.

Some activities can be included in an agreement or treated as a restriction

Required activities such as jury duty or participation in a community service order may either be included in an agreement as an approved activity or, if the customer wishes, identified as a restriction on their capacity to participate. Full credit should be given for the hours spent in such activities – either as a contribution towards the expected total if included as an activity, or as a reduction from the amount of other activities expected.

Some parents will feel it is important to acknowledge these activities by including them in their agreement. Others may prefer not to have the activity mentioned in an agreement and to simply have the overall target reduced.

***Example: Melissa is required to undertake 50 hours of community service for refusal to pay a speeding fine. Either Melissa's requirement could be reduced to 90 hours over 26 weeks, or the community service activities may be included in her list of approved activities. It's up to her.***

Activities should be agreed in advance

In general, only the activities included in a participation agreement may count towards the target total hours of participation. Other activities taken up since the agreement was signed will not automatically count towards the total. This reinforces the contractual nature of the agreement. There is flexibility available to balance different activities by allowing more than one activity to be included in an agreement, if required. If a customer later wishes a different activity to be included in their

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participation agreement, or to replace existing activities, they may ask for the agreement to be reconsidered and the new activities added.

Customers should be strongly encouraged to discuss any proposed activity changes with their Personal Adviser or JET Adviser. If the customer decides to do an alternative activity without having it agreed by the delegate, there is a risk that they will choose an activity that is not suitable and won't be counted. For an explanation of how to treat activities that were not agreed with Centrelink see the entry 'Taking reasonable steps to comply' in (3.5.1.280) Participation Agreements – Monitoring and Compliance (PP).

**Cooling off period**

A participation agreement comes into force from the date it is signed by the parent. A legislated 'cooling off period' allows them to have changes made to the agreed terms at any time within 14 days of signing, with the approval of the delegate. This formal cooling off period is included in the text of the agreement and parents should be made aware of this when signing an agreement.

Customers also have the right to seek a review of the agreement terms at any other time. This right is not affected by the existence of the formal cooling off period. Customers should be advised that if ever their circumstances change so that the agreed terms are no longer suitable, or they wish to change the approved activities, they should contact Centrelink immediately to discuss the matter.

***Example: Lana wants to study commercial horticulture at TAFE and includes a TAFE short course in her participation agreement. After talking to the local TAFE she realises the course needs a higher level of reading skills than she has had to use recently. She decides she would like to seek entry into a literacy program. After discussing this with her, the Personal Adviser revises the terms of Lana's participation agreement to include the literacy course. He even manages to get Lana enrolled in an appropriate course and process payment of the \$20.80 per fortnight LLNS.***

**Act reference:** SSAct section 501B(5A) Cooling-off period

**Illustrative activity examples**

The following list provides some examples of activities that might fall under the categories outlined in SSAct 501B(2). These examples are not exhaustive and are intended only as an illustration of the wide variety of activities that could be considered suitable. The OVERRIDING PRINCIPLE is one of improving the person's capacity, over time, to take up work, study or training. In all cases, the determining factor must be the individual circumstances, goals and skills of the person and the opportunities available to them in their community.

It should also be remembered that if the person wishes to change the agreed activities, they can request a review of the agreement terms at any time and choose another appropriate activity.

<b>Activity category in SSAct 501B(2)</b>	<b>Illustrative examples</b>
a) Job search	Independent job search
	Job Network
	Job Search Support
	Intensive Support, Job Search Training
	Intensive Support, Customised Assistance
b) Vocational or pre-vocational training course	Transition to Work

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	Large range of vocational education and training courses – e.g. from providers such as: - TAFE - Job Network Members - Adult Education Centres - private training providers
	Self esteem
	Introduction to computers
	Language, literacy and numeracy training - including basic or advanced English for migrants
	New Apprenticeship Access Program
	Preparation for the <u>NEIS</u>
	Any training purchased with a training credit, regardless of the subject matter
c) Training that would help in searching for work	Job search training through the Job Network
	Resume writing or interview skills course
	Career counselling
d) Paid work	Part-time or full-time paid work
	Self-employment
	On-farm or partnership activities such as bookkeeping
	Community Development Employment Project
	Disability open employment
	Disability supported employment
	Participation in group/cooperative enterprise
	Family day care
e) Measures designed to eliminate or reduce any disadvantage the person has in relation to obtaining work	Personal, family, or relationship counselling
	Family court counselling
	Financial, budgeting and debt counselling
	Personal and relationship skills programs, e.g. parenting skills, assertiveness
	Other life skills programs such as personal grooming and hygiene training
	Relocation to improve employment prospects
f) Voluntary participation in an approved program of work for income support payment	Work for the Dole
g) Participation in a LMP	Intensive Support, Customised Assistance

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	Intensive Support - Job Search Training
	NOOSR – bridging course for the overseas trained
	Self-employment development
	New Enterprise Incentive Scheme
h) Participation in the PSP	Personal Support Programme
i) Participation in a rehabilitation program	Commonwealth Rehabilitation Service
	Other health rehabilitation activities for those with health barriers to returning to work
j) A course of education	Drug or alcohol rehabilitation programs
	Secondary school completion
	TAFE qualification or short course
	Part-time or full-time university study
	Study by correspondence
k) Another activity that the Secretary regards as suitable for the person and that is agreed to between the person and the Secretary	Voluntary work that serves as unpaid work experience and/or skills development, such as: - sports coaching - working bees - advocacy - advisory committee membership - social/sports/other committee membership - museum guide - Meals on wheels - community health services - Country fire service - community governance – e.g. - local government council member - administration work for a community or sporting group In circumstances where more suitable options are not available, school canteen duty could be considered where this is an early step the person is taking to engage in activity outside the home
	Community work – arranged through a CWC and attracting training credits for participation
	In some cases, informal volunteering such as: - community clean-up or maintenance activities - online community development - managing a community-based Internet web page - participation in community activities
	Green Corps

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	Community Service Order
	Jury duty
	Participation in the armed forces reserves
	Community arts or ethnic cultural activities
	Indigenous arts or cultural activities, including lore, men's and women's business
	Community participation agreement
	Foster care

Date this topic last updated: **22 September 2003**

*3.5.1.260 Participation Agreements – Hours of Activity (PP)*

Contents

This topic provides information on the level of activity required of parents under the terms of a participation agreement and includes:

- 150 hours maximum and benchmark,
- reduced target hours in some cases,
- banking of hours, and
- impact of overseas absence.

150 hours maximum and benchmark

The maximum requirement for approved activities included in a participation agreement is a total of 150 hours in each 26-week period. This is also the benchmark figure. Unless there are unusual circumstances being taken into account, the hours of approved activities required in a participation agreement should be 150 in each 26-week period.

Although this averages out at about 6 hours per week, parents should be encouraged to plan to do more than the average in a normal week. This will allow for times when they may not be able to do the activity concerned – e.g. to care for a sick child or if the activity is unavailable – e.g. during quiet periods for casual work.

The 150 hours total can be made up of hours undertaking a single activity or a number of different activities. Where more than one activity is included in a participation agreement, maximum or minimum hours may be set for particular activities if this will ensure an appropriate balance of vocational benefit from the activities concerned.

This could be useful, e.g. if the customer is very eager to do an activity that offers some community engagement benefits but only minimal benefits in terms of preparing for a return to work.

***Example: The customer is keen to use junior sports coaching as her activity and this clearly offers some benefit in terms of maintaining networks and people management skills. She also agrees to undertake some training, as well as job search for a part-time job in the tourism or real estate industries. In this case, a maximum could be set for the coaching activity – e.g. 50 hours in the 26 weeks. The person could do as much coaching as they wish but any more than the 50 hours would not count toward the 150-hour target. In effect, this means a minimum of 100 hours of the vocational activities is expected. However, there is still flexibility and scope for the customer to manage the final balance of the 3.***

Reduced target hours in some cases

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The benchmark figure of 150 hours participation requirement may be reduced where it would be unreasonable to expect this amount of activity.

Situations where the requirement may be reduced include but are not limited to those where the person:

- suffers an extended period of illness during which they are unable to undertake an activity,
- is required to provide increased care for a child with a severe illness for an extended period,
- has significant caring responsibilities for another adult – e.g. a person with a disability or frail aged person,
- is required to undertake another compelling obligation such as a community service order, jury duty,
- has insufficient capacity to undertake an activity that meets the benchmark,
- has limited opportunity to undertake an activity meeting the benchmark due to locational, transport or other circumstances,
- is already undertaking an activity that comes close to the benchmark which offers significant benefit in preparing them for a return to work – e.g. completing final stages of a training or education program.

A reduction to the total hours expected over a 6-month period should normally only be considered where the affecting circumstances will last for an extended period of time greater than 4 weeks. If the circumstances preventing a person from complying with an agreement are likely to last for 4 weeks or less, this should normally be dealt with by banking hours of participation - or making them up after the period of difficulty has passed.

In general, the amount of the reduction should be the smallest that will make the reduced requirement reasonable. The exact amount must be assessed, based on the individual circumstances of the person. There is no minimum number of hours that must be specified in an agreement. However, if only a small number of hours seems reasonable, careful consideration should be given to whether there are other activities that the person is already doing that could also legitimately be included in the agreement.

***Examples of reduced terms that might be suitable in some situations include:***

<b><i>Personal situation</i></b>	<b><i>Example agreement terms</i></b>
<b><i>Wants work but has a physical disability</i></b>	<b><i>Job search or paid work of 50 hours in each 26 weeks (i.e. a lower level of activity may still be reasonable).</i></b>
<b><i>Working casually but going through Family Court divorce proceedings</i></b>	<b><i>Casual work of up to 150 hours, and/or a social work appointment if forced to stop working for a while due to the stress (since the person is still able to work, a temporary exemption is not appropriate).</i></b>
<b><i>Wants to do volunteering but lives 1:15 hours by bus and train from the community group</i></b>	<b><i>Volunteering for 124 hours in each 26 weeks (i.e. reduce the hours expected by the excess travelling time beyond 45 minutes each way).</i></b>
<b><i>Want to do Transition to Work.</i></b>	<b><i>Participate in Transition to Work, regardless of hours (Transition to Work engages the person for up to 6 months but the actual hours of contact will vary from person to person).</i></b>
<b><i>Obese and about to enter into a weight loss program</i></b>	<b><i>Do the weight loss program. Make contact again with the Personal Adviser if they drop out (activity of their own choice may be best as a first step but encourage to re-engage with the Personal</i></b>

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	<i>Adviser if having any difficulties).</i>
<i>Doing community service of 120 hours.</i>	<i>Job search or paid work of 30 hours over 26 weeks (recognises other compelling obligation).</i>
<i>Having a knee operation next week, which will require 6 weeks to heal, followed by rehabilitation.</i>	<i>Job search, paid work and rehabilitation to a maximum of 100 hours (allowing for about 8 weeks of no activity).</i>
<i>Severely depressed and reclusive following the death of their husband a year ago. Going to talk to their doctor about it.</i>	<i>Attend Centrelink social work interview some time in the next 26 weeks. Attend an interview with a JET Adviser in 26 weeks time (acknowledges the severity of the current barriers and allows the person time to explore some specific actions to address them with their medical practitioner before re-engaging with a specialist JET Adviser in a few months time).</i>

**Banking of hours**

Providing they complete at least the required hours (usually 150 over each 26 weeks), parents have flexibility to manage their time by 'banking' hours spent in agreed activities. In this way, they could do a higher number of hours than the average for a period, so they can reduce participation at other times – e.g. during school holidays or when caring for sick children.

***Example: Judy's agreed activity is to do part-time paid administration work at her local youth drop-in centre. By doing 10 hours a week of work, she completes the 150-hour requirement in only 15 weeks. This gives her up to 11 weeks in each 26 weeks in which she doesn't need to work to meet her participation requirement. She might still choose to work during this time but there is no need to do so from the perspective of her participation requirements.***

Parents can use the participation record to keep track of the hours spent doing approved activities and manage the balance between different activities, if needed. An advantage of doing so is that if they use this booklet, no other evidence of participation in approved activities is required.

**Impact of overseas absence**

A PP customer with a participation agreement must continue to take reasonable steps to comply with the terms of their agreement, despite any temporary absences overseas. Providing the person continues to take steps to comply – or is able to meet their requirements prior to and/or following their period overseas, they will remain qualified.

If an absence overseas by the customer is of short duration, the impact on their participation requirement could normally be met by banking sufficient additional hours of participation during their time in Australia, either before or after the absence, to cover a period of no activity whilst overseas.

A more extended absence overseas might also be possible, e.g. where a period of high hours of employment has allowed the customer to meet the benchmark hours in a short time, or where the participation requirement involves activities that could be completed while overseas – such as study at an overseas institution or self paced study.

A customer who is not able to meet the terms of their agreement either while overseas, or by banking additional hours of activity before they leave or by making up the hours on their return, may seek to

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have different requirements agreed that they could meet while overseas.

If no suitable activity is available or agreed, and the person leaves Australia knowing that they will not be able to meet their requirement, then they can not be considered to be taking reasonable steps to comply. As such they are considered to be in breach of their participation agreement from the day they leave Australia.

If a person leaves Australia with an understanding or assumption that they can make up their required hours of activity on their return, but then does not manage to do so, they may be in breach of their participation agreement when progress is next monitored at the end of the relevant 26 week period. In this case, the decision as to whether to impose a breach or not would depend on whether the person is considered to have taken reasonable steps to comply, over the course of the whole period, despite not completing the full amount of activity expected.

Customers should advise Centrelink of any impending absence overseas.

**Policy reference:** The Guide [3.5.1.280](#) Participation Agreements - Monitoring and Compliance (PP)

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Date this topic last updated: **22 September 2003**

*3.5.1.270 Participation Agreements – Establishing Reasonable Terms (PP)*

#### Summary

This topic covers the issues that must be considered by the delegate in setting reasonable and appropriate terms for a participation agreement and the consequence for a customer of failing to agree terms. It includes:

- things the delegate must consider in setting reasonable terms,
- person's education, experience, skills, health, etc,
  - state of local labour market and transport options,
  - available participation options,
  - family and caring responsibilities,
  - adverse impact on children,
  - current court proceedings,
  - travel time required,
  - financial costs of compliance,
  - other matters,
- activities outside school hours only with customer consent,
- delegate has final decision on what is appropriate,
- failure to enter into a participation agreement,
  - unreasonably delaying negotiation,
  - suspension for failing to agree terms,
  - payment pending review for failure to agree terms,
- vary, suspend or cancel an existing participation agreement.

#### Things the delegate must consider in setting reasonable terms

Agreed activity commitments in a participation agreement must be reasonable and realistically able to be achieved by the customer. Participation requirements must not place at risk either the welfare of the person's children or the person's own health or wellbeing.

In each individual case, it is necessary to establish what the person's capacity to participate is and to tailor the requirement to their individual circumstances. Where a person's circumstances indicate that for an extended period (4 weeks or more) they could meet part, but not all of the proposed requirements, the requirements should be modified or the number of hours reduced as appropriate.

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The delegate must take into account ALL of the factors outlined in this topic when considering what activities or hours of activity should be included in a participation agreement.

**Act reference:** SSAct section 501B(4) Regard to a person's capacity

Person's education, experience, skills, age, disability, illness, mental and physical condition

Where a person has significant educational, skill or health barriers to participation, extra care should be taken to ensure the activities selected complement any planned vocational pathway without setting expectations of achievement at unrealistic levels. The initial goal should be to encourage any form of community or vocational engagement in preference to disengagement. This could provide an opportunity for the person to demonstrate successful completion of planned activities or achievement of milestones. These are both important considerations in assisting the customer to move along a planned pathway towards enhanced participation.

Conversely, where a person has both capacity and opportunity to participate in paid work, training or other vocationally-oriented activity, it would be reasonable to expect the person to pursue these in preference to non-vocational activities. For example, if the parent is well educated, has employment experience and has access to a labour market with suitable employment or training opportunities, it would be reasonable to reject non-vocational activities such as school canteen duty or junior sports coaching for inclusion in a participation agreement. They could still pursue those activities, but they should not be counted towards meeting a participation requirement. This reinforces the underlying policy objective of the requirements to encourage and help the parent prepare for greater participation in paid employment as their children grow older.

State of the local labour market and the transport options available to the person in accessing that market

In an area with a poor or non-viable labour market, non-vocational activities might be considered suitable for a wider range of people – including those with significant employment-related skills.

In an area where there are many suitable work, education or training opportunities, non-vocational activities that don't directly contribute to meeting participation goals should not normally be considered acceptable.

Transport available to the person may include public transport, personal or family motor vehicles, etc. In areas where there is little public transport, the person may still have access to a private vehicle, pooled private transport, walking, etc – any of which may provide suitable access to participation options.

Participation opportunities available to the person

In some locations, limited participation options – both vocational and non-vocational – may restrict the activities that could realistically be considered. Where this is the case, all possibilities, including lateral ideas - eg participation in training via correspondence or the Internet, informal community contribution - should be considered before determining that no suitable activities are available.

Family and caring responsibilities of the person

Unusually high caring responsibilities for children or other family members may be a limiting factor on some parents' availability to participate outside the home. For example, the need to provide care for an invalid relative or the extra care needs of a very sick child may reduce the hours of participation that could reasonably be expected – either for a short time or for an extended period.

Unless the person is an exempt person, some level of participation should be able to be included in a

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participation agreement, even if this is lower than 150 hours over each 26-week period.

Note that many medical conditions for which the care may be provided, or other family circumstances, such as the custody arrangements or caring responsibility for a sick child or parent, may change over time - or alter regularly from time to time. They may also be quite different from family to family even where ostensibly similar circumstances exist. For example, one parent of a diabetic child may need to provide personal assistance to the child to manage the illness. In another family, the child may be self-managing most aspects of their treatment.

The impact of some family circumstances may or may not be different in a sole parent family compared with a 2 parents family, where responsibilities can be shared.

Each case must be assessed individually. Where possible, anticipated changes in capacity to participate over the following year should be estimated and this used as the basis for determining participation requirements, rather than looking only at the immediate situation. It should also be made clear to the customer that if their circumstances change and they would no longer be able to meet the agreed participation objectives, they can discuss their situation again and have their agreement revised if needed.

Serious children's medical conditions that might have very different care needs from one family to another or change over time include:

- Phenylketonuria (PKU),
- Cystic Fibrosis,
- Juvenile Diabetes,
- Epilepsy,
- Asthma,
- Attention Deficit Disorder (ADD),
- Attention Deficit Hyperactivity Disorder (ADHD), and
- behavioural problems.

Many factors, including the age of the child, the child's capacity to manage their own condition, the care provided by the child's school and any variable custody arrangements may also have an impact on consideration of these matters.

#### Adverse impact on children

If the parent's participation in an activity is likely to lead to an adverse impact on their children, this should be taken into account and alternative activities or ways of approaching the activity considered. For example, if the parent indicates it is imperative for them to be at home when their teenager is expected home from school, the activities chosen should be ones that can be undertaken during the morning or early afternoon – such as training, job search, community involvement or part-time work during school hours.

#### Current court proceedings in the Family Court, criminal courts, child welfare concerns such as drugs or school truanting

In some cases, parents dealing with these issues will have a reduced capacity to participate in activities such as work or training. The impact for each individual will be different and may depend on factors such as the person's work history and capacity to cope, the severity of the problem being faced and the number of court appearances, etc. expected. It should not be assumed that parents dealing with personal issues don't want or can't benefit from the help available through participation support. Each parent's individual circumstances need to be considered fully, though, in setting agreed activities that are reasonable and appropriate.

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Length of travel time required for compliance with the agreement

A reasonable amount of travel to and from agreed activities is to be expected. Where similar alternatives are available, activities within easy reach should generally be preferred over activities that are more distant. Difficulty in accessing an activity may reduce its attractiveness - and thus the benefits to be gained from doing it. Any estimate of travel time should be made using the means of transport available to the person – e.g. private vehicle if they own or have access to one, public transport if not.

At the outside, a travel requirement of UP TO 45 minutes each way between home and the activity is considered REASONABLE. If the person has expressed a particular desire to undertake an activity further away and it will be of significant vocational benefit, any excess travel time over and above 45 minutes each way should be acknowledged by reducing the overall target hours.

Financial costs of compliance with the agreement such as travel costs

Travel costs incurred by the customer of up to 5 PERCENT of the maximum rate of income support payment for the person are considered reasonable. A range of incentive payments are available that may contribute towards the costs of participation, e.g.:

- Education Entry Payment (EdEP),
- Pensioner Education Supplement (PES),
- Mobility Allowance, or
- supplements for participating in WFD, CDEP and Language, Literacy and Numeracy training

These supplements are not intended to fully cover the costs of participation but do provide some assistance in meeting costs.

Costs that are prohibitive – e.g. extensive purchases of new clothes, vehicle repairs, etc., should not be expected in order to complete agreed activities. Alternative activities should be selected if this is the case.

The purchase of training may or may not be able to be assisted or fully covered through programs such as Transition to Work, Transition To Work training funds, Training Credits or Job Network. Training that requires significant cost should not be agreed as an approved activity unless the person has already sourced appropriate funding or determined to pay their own way.

Any other matters that the Secretary considers relevant in the circumstances

Without being prescriptive, any matters not directly addressed above may be considered in determining the appropriate activities to include in a participation agreement and the hours of participation expected. For issues directly addressed above, an alternative approach to the one described should only be considered where there are exceptional circumstances – i.e. beyond the range of what could be considered usual.

It should be remembered that the goal is to have as inclusive an approach as possible to setting reasonable requirements– i.e. to agree on activities and target hours that each person can realistically achieve rather than simply exempting them from the requirement because they couldn't meet a full 150 hour paid work or voluntary work target.

Activities outside school hours only with customer consent

Activities that occur outside school hours may be included in a participation agreement but only with the agreement of the customer. Parents must not be required to undertake activities that might interfere with their capacity to supervise and care for their children, unless they themselves wish the activities to be included in the agreement and contribute towards meeting a participation requirement.

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Delegate has final decision on what is appropriate

Wherever possible, activities included in a participation agreement should be jointly selected and agreed by the person and the Centrelink delegate. Ultimately, the decision in each case regarding what is or is not an appropriate activity lies with the delegate of the Secretary. The delegate must be satisfied that the terms of the agreement are appropriate and suitable in the context of the individual's circumstances. Full regard must be had to all of the conditions outlined above and that the activities are intended, over time, to assist the person in gaining employment or undertaking study or training, noting:

- WFD (section 501B(2)(f)) may only be included in an agreement if the person explicitly accepts or selects this, and
- community work and other voluntary work (section 501B(2)(k)) may only be included in an agreement if the person explicitly accepts or selects them.

Activities falling under the other subclauses in 501B(2) may be included without the customer's explicit consent. In particular, activities that could be considered where a customer refuses to select an appropriate activity include:

- job search, especially using Job Network,
- a prevocational training course,
- Transition To Work,
- participation in the PSP, and
- language, literacy or numeracy training.

Where there is capacity and opportunity for the person to participate in suitable activities, but the person chooses not to agree to sign an agreement containing such activities, the person would no longer be qualified for payment.

The decision as to which activities the delegate approves may be subject to review or appeal if the customer feels an error has been made or the decision is unfair.

***Example: The Personal Adviser has established that Jenny has both the capacity and opportunity to pursue vocational activities such as training or work experience. There is both a TAFE and an Adult Education college nearby and there are places available in Transition To Work in the local area. Jenny refuses to agree to any activity other than school canteen duty, even though she has been doing this for the last ten years and will gain little further benefit in moving towards employment, education or training.***

***In such circumstance canteen duty would not be considered an appropriate activity to meet a participation requirement. If such a parent refused to consider any activity other than canteen duty to meet a requirement, they could be considered to be unreasonably delaying negotiation of an agreement.***

***The Personal Adviser presents Jenny with a participation agreement containing participation options of Transition To Work, job search and paid work which Jenny can mix and match to suit. Jenny declines to enter into the agreement. As a result, Jenny is no longer entitled to receive payment. Her PP should be suspended. If it remains suspended for 13 weeks, it will be cancelled from the suspension date.***

***Jenny is encouraged to reconsider her refusal to agree appropriate terms and advised that if she enters into an agreement within the next 13 weeks, her payment will be fully restored and back-paid to the date of suspension.***

When talking to parents who are reluctant to agree to terms, it is important to ensure they are not being scared simply by the thought of the unknown, or by false assumptions about the harshness of participation requirements or by distaste at the idea of requirements. The parent should actually be offered the chance to consider a printed agreement containing reasonable terms. Verbal assertions that they will not sign may be overcome once they can see that the requirements are both reasonable

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and intended to help them improve their situation in the long term.

**Act reference:** SSAct section 500(1)(c) Qualification for PP, section 501(5)(a) Intended to assist in gaining employment, etc., section 501B Participation agreement - nature and terms, section 501C Participation agreements – failure to negotiate

Failure to enter into a participation agreement

If a person has been required to enter into a participation agreement and fails to do so – either by refusing to negotiate or enter into an agreement or by unreasonably delaying its negotiation, the person is no longer qualified for PP.

**Act reference:** SSAct section 501C Participation agreements – failure to negotiate

**Unreasonably delaying negotiation of a participation agreement**

A customer may be taken to be unreasonably delaying entering into an agreement where they:

- do not attend negotiation of the agreement,
- do not respond to correspondence about the agreement,
- do not agree to terms proposed by the Secretary, or
- otherwise unreasonably delay negotiation.

In the case of non-attendance at an interview, the full range of encouragement to attend the participation interview should be pursued before determining the person has failed to attend. See (3.5.1.210).

In general, negotiation of an agreement should be completed and the agreement signed WITHIN 4 WEEKS OF THE REQUIREMENT NOTICE BEING ISSUED. Where a customer requires additional time and/or follow-up contact to work through the negotiation process, the agreement should normally be completed within 13 weeks of the requirement notice being issued.

Unless circumstances beyond the person's control (e.g. natural disaster or personal injury), or other exceptional circumstances (e.g. family crisis) are preventing the negotiation from being completed, a customer who has not completed and signed a participation agreement within 13 weeks of the requirement notice being issued, is to be considered to be unreasonably delaying negotiation of an agreement.

If a person indicates that they refuse to negotiate or sign a suitable agreement, they may immediately be taken to have failed to negotiate and agreement. It is not necessary to wait until 13 weeks has elapsed before making the decision. It is important, however, that the person be given every possible opportunity to change their mind, engage with the need for a participation agreement and, if possible, be offered a draft agreement for consideration.

Where possible, if the parent indicates from the start that they are likely to refuse to enter into an agreement, a JET Adviser rather than a Personal Adviser should do the negotiation.

**Act reference:** SSAct section 500(1)(c) Qualification for PP, section 501C Participation agreements – failure to negotiate

**Suspension of payment for failing to enter a participation agreement**

A person who fails to enter a participation agreement is no longer qualified to receive PP and their PP will be stopped. To ensure they have every opportunity to change their mind, the process to be followed, if the person is currently receiving payment, is to:

- suspend payment initially,
- notify the person that their payment has been suspended, the reasons for this, and that if they do not complete an agreement within thirteen weeks from the date of suspension, payment will be cancelled effective from the date of suspension,

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- if the person completes a participation agreement within 13 weeks of the suspension date, payment should be restored with effect from the date of suspension and any arrears due paid to the person,
- if payment remains suspended 13 weeks after the date of suspension, cancel the payment, effective from the date of suspension.

This process allows the person a further opportunity to comply with the requirement and to have their payment restored without loss, providing they do so within 13 weeks.

Once a person's payment has been cancelled they will need to reclaim payment before they could be paid again. In such circumstances, payment would normally only be available from the date of claim, with no arrears payable unless the original decision to cancel payment were reviewed and overturned.

There is no 'breach' applied for failing to enter a participation agreement. The only matter affected is qualification for payment.

**Act reference:** SSAct section 500(1)(c) Qualification for PP, section 501C Participation agreements – failure to negotiate  
SS(Admin)Act section 80 Cancel/suspend, section 118 Date of effect of adverse determinations

**Payment pending review for failure to agree to terms**

If a person seeks a review of a decision that they have failed to agree to the terms of a proposed participation agreement, they are to continue receiving payment as if the decision had not been made until the review or appeal is completed.

**Act reference:** SS(Admin) Act section 132A Internal review, section 146A SSAT review

Vary, suspend, or cancel participation agreement

A participation agreement with a customer:

- may be varied or suspended,
- if another participation agreement is made with the customer -may be cancelled,
- may be reviewed from time to time at the request of either party to the agreement, and
- may be cancelled after a review.

The customer is required to tell the Secretary of any circumstances that might effect their compliance with their participation agreement. Where this happens, the Secretary should consider whether the information has any implications for the person's capacity to comply with the terms of their agreement.

A customer MAY be required to enter into a new agreement instead of the existing agreement. This could be appropriate where the terms of the current agreement are no longer suitable; or where the person has breached the terms of their existing agreement and either different or more specific terms are considered necessary.

The terms of a participation agreement MAY be varied to take account of changes in a customer's circumstances.

Changes that might be considered include:

- changing the agreed activities,
- reducing or increasing the number of hours of activity expected – either in total or for individual activities in the agreement.

If the person will be prevented from meeting the terms of even a modified participation agreement for a period of time due to unusual circumstances, their AGREEMENT MAY BE SUSPENDED. The maximum period an agreement should be suspended at any one time is 13 weeks. However, more than one period of suspension may be applied consecutively.

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If it seems likely the person will no longer be able to comply with any participation agreement or they become an exempt person their agreement should be CANCELLED. Where the person is not an exempt person, consideration of requiring the person to enter into another participation agreement should be given at their next scheduled annual participation interview.

***Example 1: If the customer or one of their children becomes severely ill for a period of several weeks, the agreement might be varied to reduce the total hours of participation from 150 to a lower number over the 26 week period.***

***Example 2: If a customer with an existing agreement advises they have been diagnosed as suffering a chronic medical condition – e.g. back pain or Chronic Fatigue Syndrome - Work Ability Table assessment could be done to establish an appropriate activity – e.g. rehabilitation - and/or appropriately reduced hours of participation.***

***Example 3: If a customer who has already completed 100 hours of their agreed activities in four months of their compliance period notifies that they have been given a community service order for 50 hours over 2 months, their agreement could either be suspended for the 2 months or their agreement varied to include the community service order activity. The customer could be offered the choice of how to handle it.***

**Act reference:** SSAct section 501A(3) Requirement to enter into another agreement, section 501A(4) Reasons for revoking or replacing, section 501B(5) Variation, suspension, cancellation and review of agreement

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Date this topic last updated: **22 September 2003**

***3.5.1.280 Participation Agreements – Monitoring Compliance (PP)***

**Summary**

This topic provides information on monitoring and determining compliance with participation agreement requirements and the penalties to be imposed for non-compliance. It includes:

- taking reasonable steps to comply,
- the compliance cycle,
- monitoring,
  - progress check every three months,
  - verification with third parties not to be sought,
- determining non-compliance and applying a participation agreement breach,
  - 2 attempts to contact, and
- Centrelink 3 (APS5) delegation for breaches.

**Taking reasonable steps to comply**

A customer who has a participation agreement in force must take reasonable steps to comply with the terms of the agreement. A customer is considered to be taking reasonable steps if they have attempted in good faith and to the best of their ability to comply. They are also considered to have taken reasonable steps if, for some reason, the terms of the agreement are shown to be inappropriate. This acknowledges that a customer might not be able to comply with the terms of an agreement because either:

- the terms were inappropriate when the agreement was first negotiated – e.g. due to undisclosed personal circumstances, or
- as a result of a change in circumstances, the terms have become inappropriate and it would be unreasonable to expect the customer to comply – e.g. a family crisis or extended illness.

Although the person must be taking reasonable steps throughout the whole period of the agreement,

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in practice compliance is normally tested every 6 months. This aligns with the indication, in SSAct section 501B(1), that the requirement is to be set in terms of hours of activity in each 26-week period. Compliance should only be considered outside the 26 weekly cycle where the person is serving a penalty rate reduction period, where more frequent compliance testing will occur – see 'Monitoring following a first breach' in (3.5.1.290) Participation Agreements – Penalties & Re-engagement (PP).

The test of compliance with a participation agreement is not whether the person has completed the exact full number of hours of agreed activities in the agreement but whether they have taken reasonable steps to comply with the terms. What constitutes reasonable steps may be different in each case and will be determined by the precise terms of each agreement.

If a person is excluded from a face-to-face progress check interview at the 26-week point as a result of a system-based progress check, they are deemed to be taking reasonable steps. Compliance is not to be tested again until the annual participation interview.

For customers at their annual interview and those who are asked to attend a face-to-face interview at the 26-week mark, in general the total hours of activity in approved activities during the previous 26 weeks should be considered. Where the total achieved is within range of the target – say within ten percent, it can be considered that the parent has met the target and no further consideration should be given to the matter.

#### Activities not previously agreed

In some cases, the person may have started doing a different activity to the ones agreed without consulting their Personal Adviser or JET Adviser. If the activity is one that would have been considered suitable had they consulted with their adviser, hours of participation in this new activity may be considered as counting towards the overall target. If the activity is not one that would have been considered suitable for the person, the hours are not to count towards the total.

If the person has had a genuine go at completing the agreed activities, but has fallen short of the target, they should be considered to have taken reasonable steps to comply unless the person deliberately chose to withdraw from participating in agreed activities without consultation or discussion with the Personal Adviser or JET Adviser and without consideration of alternative activities that might be suitable.

The aim of the policy is to encourage engagement with the requirements and to enhance the person's readiness for future employment, not to penalise people unnecessarily. In general the focus should be on planning for the future and moving forward to improved skills and greater levels, or quality, of participation. In some cases it may only be over several discussions with their Personal Adviser or JET Adviser that the person discloses issues that are limiting their capacity to comply with agreement terms. Where it is possible to reassess what would be realistic goals and set new activities that are more likely to work towards those goals, a revised and updated participation plan is the preferred outcome, rather than a breach for non-compliance.

A penalty should only be applied as a last resort when other options to engage the person have been exhausted and where the person is clearly making the choice not to comply. When this is shown to be the case, it is important that the decision be made that they have not taken reasonable steps, and a penalty applied, if appropriate. However, where it is not the case and the person has made a genuine attempt to have a go, the person's efforts should be recognised by determining that they have taken reasonable steps – even if they have fallen well short of the target.

**Act reference:** SSAct section 501 Reasonable steps, section 501B(5) Vary terms

#### Compliance cycle

The following cycle of contacts is to be followed to ensure that parents are both adequately informed about their responsibilities and supported to achieve their participation goals:

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- Six weeks after the start of a participation agreement:
  - the customer is to be reminded by letter of their participation requirement and offered extra help, if needed.
- Quarterly:
  - progress is monitored via system check and, where needed, face to face interview. If not making good progress, the customer is to be reminded of their requirement, and have the consequences of not complying explained. Customers not on track towards achieving their requirement are to be offered extra help or an opportunity to re-negotiate their requirement if appropriate.
- Compliance with requirements is tested each 26 weeks:
  - customers attending a quarterly monitoring interview at this time should have the information they have recorded in their participation record considered to assess whether they are taking reasonable steps to meet the terms of their agreement. Customers whose participation has been verified using the SYSTEM-BASED CHECK ALONE are considered to be taking reasonable steps and do not need a face-to-face interview at this time.
- Annual interview:
  - compliance over previous 26 week period assessed, goals and pathways re-examined and participation agreement updated or renegotiated if necessary.

#### Monitoring

The onus is on the customer to demonstrate that they are taking reasonable steps to comply with the terms of their participation agreement. They can do this in several ways:

- by recording their participation in agreed activities in a participation record (diary),
- by continued receipt of supplementary payments such as PES, WFD supplement, LLNS or CPS,
- by declaring significant earnings from employment,
- by having participation in a labour market or other similar program (e.g. Transition To Work, Intensive Support - Customised Assistance, community work) recorded on their Centrelink customer record.

Where this kind of evidence is not available, a written statement from the person setting out their participation is acceptable evidence of activity, combined with evidence such as proof of enrolment in study or registration with an employment service provider, etc., where this is available. If no additional evidence is available, a written statement by the person alone is sufficient.

#### Progress check every 3 months

Monitoring of the customer's participation in agreed activities will be done via a system data check every quarter. A face-to-face quarterly interview is required where the person's participation cannot be verified from the system. Customers should not be asked to a quarterly interview in the following circumstances:

- the person has average earnings of more than 0.15 times the current MTAWE rate during the previous 13 weeks (this equates to about 6 hours per week at average weekly earnings).
- the person is receiving PES, CPS, WFD supplement, or the LLNS,
- the person is participating in Transition to Work, community work through a community work coordinator or intensive support - customised assistance through Job Network,
- the person is being case managed through a FaCS-funded Disability Employment Service,
- the person is undergoing a rehabilitation program with the CRS.

All customers subject to a participation agreement should be issued with a participation record unless it is clear that they will be participating in activities that can be monitored off the Centrelink computer system.

#### Verification with third parties not to be sought.

Evidence of participation provided by a parent – such as a completed participation record or written

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statement – is to be believed. Completion of a participation record alone is sufficient evidence of the person's engagement in agreed activities. It should be remembered that the aim of participation support is not to penalise customers but to encourage them to think through participation issues and prepare for an eventual return to the workforce.

Even where there are suspicions about the quality or accuracy of the information being provided by the person, third parties such as employers or community organisations should not be contacted to confirm the person's participation. Where such concerns are significant, the person should be required to negotiate a new participation agreement with agreed activities that can more easily be monitored through the Centrelink system – such as Job Network or Transition to Work, study, training, paid work, community work or WFD (on a voluntary basis only). Alternatively, before pursuing these more formal activities, agreement could be reached with the customer in advance about the nature of some further evidence required to demonstrate their participation – such as proof of enrolment in a training course or pay slips from casual work.

#### Determining non-compliance and applying a participation agreement breach

Where the person has been unable to establish that they have taken reasonable steps to comply with the terms of their participation agreement, a range of factors must be considered before determining that a breach of the requirements has occurred.

These include:

- whether the person attempted in good faith and to the best of their ability to comply with the terms,
- whether the terms of the agreement were appropriate throughout the period, and
- the person's capacity to comply with the terms throughout the period.

In the first instance, non-compliance with requirements should be taken as an indication that the person may either have undisclosed circumstances that affect their capacity to participate in the way intended, or that the person needs extra help in order to be able to meet their requirements.

As well as previously undisclosed barriers to participation that prevented them from complying, personal or other circumstances may have developed during the period concerned that prevented their compliance. Some of these circumstances may have been difficult or sensitive for the person to disclose or discuss at the time the agreement was negotiated – e.g. a psychiatric illness or domestic violence. The person may also have had previously undisclosed commitments to other activities that, if considered at the time, might have been seen as being either a suitable activity for inclusion or a restriction on their capacity to participate.

In effect, this consideration entails a review of both the customer's efforts to meet the requirements and of the requirements themselves - to ensure that they were reasonable at the start of the period and remained reasonable throughout the period.

Following this reconsideration, if the person is seen to have taken reasonable steps, given the new understanding of their circumstances, no penalty will be applied. A new agreement should be negotiated that more fully takes account of the person's capacity to participate. Where needed, extra help or support should be offered to allow the person to meet their new commitment.

Only after a full reconsideration of the person's situation over the course of the period concerned, can a decision be made that the person has failed to take reasonable steps to comply with the terms of their participation agreement. This decision will result in the application of a participation agreement breach.

#### **Two attempts to contact**

A decision that the person has not taken reasonable steps to comply must not be made unless reasonable attempts have been made to contact the person to discuss the matter. At least 2 attempts to contact the person should be made before such a decision is taken, with the offer of rescheduling

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the interview if needed. At least one of these attempts should be by letter.

Centrelink 3 (APS5) delegation for breaches

The delegation for a decision that a parent has failed to take reasonable steps to comply with the terms of a participation agreement (a breach decision) is at the Centrelink 3 (APS5) level.

This higher than usual delegation is a signal that each decision to apply a breach to a parent should receive a high level of scrutiny before it is made. This is intended to ensure that every possible option has been explored to allow the parent to engage with an appropriately tailored participation agreement before a penalty is applied.

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*3.5.1.290 Participation Agreements - Penalties & Re-engagement (PP)*

**Summary**

This topic provides information on the financial penalties associated with participation agreement breaches and the follow-up processes designed to monitor and re-engage a parent after a penalty has been applied. It includes:

- penalty amounts,
- automatic payment pending review for breach penalties,
- waiver of remaining penalty on compliance,
- full arrears if compliance within 13 weeks,
- monitoring following a first breach,
- social work intervention before a second breach,
- monitoring following a second breach – JET Adviser,
- cancellation following a third breach, and
- claiming another payment after a penalty is applied.

Information about how to make a decision to impose a breach is contained in [\(3.5.1.280\)](#).

**Penalty amounts**

The intention of the PP participation support framework is to encourage and help parents plan and prepare for an eventual return to the full-time workforce, not to penalise parents. It is important that the penalty provisions be administered sensitively and with a view to helping each affected person set and meet an appropriate and individually tailored participation requirement wherever possible.

However where a person does not take reasonable steps to comply with the terms of an appropriate participation agreement, the following penalties apply:

**PP breach penalties**

<b>No of breach (within previous 2 years)</b>	<b>Penalty</b>	<b>Length (up to)</b>
1 <sup>st</sup>	18% of maximum basic rate	26 weeks
2 <sup>nd</sup>	24% of maximum basic rate	26 weeks
3 <sup>rd</sup> or subsequent	Non-payment	8 weeks

**Start of penalty period**

The general rule is that a participation agreement breach penalty period starts on the 14<sup>th</sup> day after the customer is given notice of the penalty and the reasons for the penalty.

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Penalty periods are not to overlap. If a customer is already serving a breach rate reduction period, it is brought to an end immediately before the commencement of a second or subsequent penalty period.

If PP ceases to be payable to the customer for another reason, before a participation agreement breach penalty period would otherwise start, then the penalty period starts on the day on which PP ceases to be payable. This ensures that any potential penalty is minimised where possible.

***Example: Marc has had a PP participation agreement breach applied from 21 January. The decision to impose the breach and apply the penalty is made, and a notice issued on 15 February. However, Marc notified a change of care for his PP child that will preclude payment of PP from 19 February. He is transferring to NSA. In this case the breach rate reduction period would also commence from 19 February rather than 29 February, which would have been 14 days after the notice was issued. If Marc resumes care of the PP child and returns to PP, the start of any remaining penalty period will be calculated as if the penalty started on 19 February.***

Notice must be given in writing

If a participation agreement breach rate reduction or non-payment period applies to a customer, they must be given a written notice telling them of the start of the period and the reasons why the penalty applies. The participation agreement breach rate reduction period starts on the day on which the notice is given to the customer.

Calculating payment during a rate reduction period

A customer's rate of PP during a penalty rate reduction period is worked out using the method described in SSAct section 503E.

**Act reference:** SSAct section 500ZB Breaches, section 500ZA Non-payment for third breach, section 500ZC to section 500ZE Penalty non-payment period, section 503B to section 503E Penalty rate reduction periods

Automatic payment pending review for breach penalties

If a person seeks either an internal or SSAT review of a decision to impose a participation agreement breach rate reduction or non-payment penalty, payment of PP is to continue as if the decision had not been made until the internal or SSAT review is completed. Although this is a discretionary decision, the discretion should be exercised in all cases.

If the outcome of the review is that the penalty should be applied, the penalty should commence 14 days after the date of the decision to uphold the penalty. It should be noted that penalties are always to be applied into the future and the customer given time (i.e. 14 days) to prepare for the impact of the penalty. Under no circumstances is a penalty to be applied retrospectively or by way of raising a debt. There must always be an opportunity for the customer to have the penalty waived through taking steps to comply.

***Example: Phil has not taken steps to comply with the terms of his participation agreement. Despite several attempts to explore the reasons why, Phil continues to state that he just doesn't want to do any suitable activity. A first breach is applied on 12 January and an 18% rate reduction penalty commences on 26 January. On 12 March, Phil asks for a review of the decision. Phil's payment is immediately restored to the normal rate and full arrears paid back to 26 January. After the review is completed, the SSAT decides on 2 May to uphold the decision to apply the breach. This means that the breach decision was correct and that a penalty should apply. The full 26-week rate reduction penalty starts again from 16 May. If Phil starts to take reasonable steps to comply within 13 weeks of this date, he will be eligible to***

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*have the penalty waived and arrears paid back to 16 May.*

This policy reinforces the objective of encouraging engagement by the customer with their requirements, rather than seeking to penalise.

**Act reference:** SS(Admin)Act section 131(1) Internal review, section 145(1) SSAT review

**Policy reference:** Social Security (Payment Pending - ARO Application for Review) Guidelines 2003, Social Security (Payment Pending - SSAT Application for Review) Guidelines 2003

Waiver of remaining penalty on compliance

The remainder of a participation agreement breach penalty period may be waived AS SOON AS the customer starts or resumes taking reasonable steps to comply with:

- the terms of a current participation agreement, or
- if the customer does not have such an agreement, the participation agreement that was in force when the penalty period commenced.

If the person complies within 13 weeks of the start of the penalty period, full arrears are to be paid. See 'Full arrears if compliance within 13 weeks' below.

The waiver applies only to the penalty period. The breach itself remains on the person's record and would continue to count as a prior breach for the purposes of determining the appropriate penalty for any subsequent breach. However, if the person seeks a waiver of a penalty and presents evidence they have taken steps to comply, the information presented should be carefully considered to see if it would also allow the breach decision to be overturned. If so, the breach decision should be reviewed and the breach removed. It is important that customers be given every opportunity to have inappropriate breaches removed at the time fresh evidence is available. If not, this could have an impact later if a second or third breach is applied and a more severe penalty results. With the passage of time it could be more difficult at that stage to review the present decision.

When applying a waiver, payment is to be immediately restored to the normal rate from the date the person starts taking reasonable steps to comply.

***Examples of what might constitute taking reasonable steps in this circumstance could include the following:***

<b>Activity in agreement</b>	<b>Example of taking steps to comply</b>
<b><i>Education or training course</i></b>	<b><i>Commencing the application or enrolment process by lodging an enrolment form or making an appointment with the enrolment office at the institution.</i></b>
<b><i>Transition To Work, P<sub>SP</sub></i></b>	<b><i>Making an appointment to see the Transition To Work or P<sub>SP</sub> provider.</i></b>
<b><i>Job search</i></b>	<b><i>Completing the registration process with their local J<sub>NM</sub>.</i></b>
<b><i>Volunteer work</i></b>	<b><i>Registration with Volunteering Australia or attending a meeting with the volunteer coordinator of a community organisation.</i></b>
<b><i>Community work or W<sub>FD</sub></i></b>	<b><i>Make an appointment to undertake registration with a community work coordinator.</i></b>
<b><i>Paid work</i></b>	<b><i>The work has started.</i></b>

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<i>Personal counselling or rehabilitation</i>	<i>Contacting the counselling or rehabilitation provider and making an appointment to attend.</i>
<i>Informal volunteering or community activity</i>	<i>The activity has started.</i>

**Evidence required**

Where a customer has had a penalty imposed, the responsibility for demonstrating that they have subsequently taken steps to comply rests with them. The customer should be asked to provide some evidence of having done this. In some cases – e.g. making an appointment with Job Network, a Transition to Work provider or community work coordinator – evidence may be available from Centrelink administrative systems. In other cases, the person may wish to provide evidence of an appointment having been made or interview having taken place. Payslips or time sheets or a contract for casual work might be suitable evidence where paid work is involved.

In some cases a customer may request that Centrelink contact the organisation or employer involved to confirm their attendance or participation. This may be done but only at the explicit request and with the authority of the person. This restriction is not intended to frustrate the customer, but rather to reinforce that the administration of participation requirements is not intended to intrude into the personal and working relationships of affected parents. In some circumstances, disclosing that Centrelink are interested in the activities of a person may alter the perceptions that an organisation or employer has about the person. Before making the attempt at contact, this consideration should be explained to the customer and they should be given another opportunity to get the evidence of participation themselves.

**Full arrears if compliance within 13 weeks**

Full arrears of any amounts withheld due to a penalty rate reduction or non-payment period may be paid if the person takes reasonable steps to comply with the terms of their participation agreement within 13 weeks after the start of the relevant penalty period. This applies both to the current penalty period and any other penalty period that started within the 13 weeks before the customer takes steps to comply. In the case of a penalty non-payment period, even though the full 8-week penalty period may have been completed, providing the person begins to comply within 13 weeks of the start of the penalty period, the full amount withheld during the penalty period may be refunded.

If the customer starts or resumes taking reasonable steps to comply with the terms of their participation agreement MORE than 13 weeks after the start of the penalty period, only the remainder, if any, of that penalty period may be waived. In the case of multiple recent penalty periods, the start date of each period concerned should be considered. Any penalty periods that commenced within the last 13 weeks may have arrears paid.

**Act reference:** SSAct [section 500ZC\(3\)&\(4\)](#) Waiver of non-payment period, [section 503C\(3\)&\(4\)](#) Waiver of penalty rate reduction period

**Monitoring following a first breach**

Following application of a participation agreement breach penalty, the person should either be required to enter into a new participation agreement or the existing agreement should be varied. The new terms should include at least one specific interim milestone that can be achieved within a relatively short space of time (i.e. 6 weeks) as evidence of taking steps to comply with the overall requirement. This interim milestone is to be specific and in addition to the overall objective of activities to be completed over each 26 weeks of the agreement but should be related to the longer-term requirement.

This gives the person an early opportunity to demonstrate that they are now taking steps to comply

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with their agreement or to get any extra help they need to meet their requirements. If the person can demonstrate they are now taking steps to comply, any remaining penalty can be waived and full arrears paid, providing it is within 13 weeks of the start of the penalty period. It also provides additional encouragement to the person to engage with the participation support available.

***Examples of suitable milestones include:***

- ***make or attend an appointment to see a service provider, training organisation, community organisation, Centrelink social worker or psychologist, JNM, PSP provider, rehabilitation provider, etc.,***
- ***start paid work, and***
- ***actually start participation in one of the activities in the agreement.***

Compliance with the new agreement terms should be tested AT 6 WEEKS, unless the person has already demonstrated they are taking reasonable steps prior to that time.

If the person has already demonstrated they are taking steps earlier than 6 weeks, no interview is necessary and they should be returned to the normal quarterly monitoring and 26-weekly compliance check cycle.

If the person does not attend the 6-week monitoring interview, at least 2 attempts to contact the person should be made with the offer of rescheduling the interview if needed before considering further action. At least one of these attempts should be by letter. If the person cannot be contacted or encouraged to attend the 6-week interview, their payment should be suspended. No breach is to be applied for non-attendance at an interview.

Any further decision that the person is not taking reasonable steps to comply - and a possible second breach - should only be taken following receipt of advice from a social worker. However, it is not necessary to wait until the current penalty period is ended before a further penalty is considered.

**Social work intervention before second breach**

If at the 6-week progress check the person is still not taking reasonable steps to comply with the terms of their agreement, the involvement of a social worker should be sought. Where possible, the person should be interviewed by the social worker. The person should explicitly be offered the opportunity to bring a friend or advocate with them to the social worker interview to ensure they have the best chance of fully exploring any issues preventing their engagement with the requirements.

In particular, the opportunity should be taken to explore whether there are any previously undisclosed barriers to participation affecting the person's ability to meet the terms of their agreement – e.g. personal or family circumstances - that may not be apparent to the delegate. Advice from the social worker to the delegate should focus on these issues and any recommendations regarding modified or reduced activities that would be more appropriate for the customer to undertake, including activities to help address any issues uncovered during their contact with the customer.

Taking account of the advice from the social worker, the delegate must determine whether the person is now taking reasonable steps to comply. If they are, the person is returned to the normal monitoring and compliance cycle. If they are not, a second breach is to be applied.

**Monitoring following a second breach – JET Adviser**

Following application of a second participation agreement breach penalty, the person should again be required to enter into a new participation agreement or the existing agreement varied. The new terms should again include a specific interim milestone that can be achieved within a short space of time (i.e. 4 weeks) - as well as the overall objective of activities to be completed over each 26 weeks of the agreement.

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Compliance with the new agreement terms should be tested AT FOUR WEEKS, unless the person has already demonstrated they are taking reasonable steps by then. This interview SHOULD be conducted by a JET Adviser. Even if the person has dealt, up to now, with a Personal Adviser, a JET Adviser should interview the person prior to considering the application of a third breach penalty. The JET Adviser's skills and experience in combination with the knowledge and experience gained from the Personal Adviser and social worker input should be aimed at allowing the maximum available level of skills and local knowledge to be applied to helping the parent engage effectively with the requirements. As always, the aim of the interview is to help the parent identify and meet an appropriate and reasonable requirement, rather than to penalise them unnecessarily.

The timing of this interview should, allow for the waiver and arrears rules to operate in relation to the second and, in some cases, first breach penalties also. By encouraging the person to actively take steps to engage with the participation support available, the intention is that no parent need suffer a financial penalty and that every encouragement be provided to allow for that outcome.

After a further full reconsideration of the person's situation and the appropriateness of terms of the agreement, a decision should be made by the JET Adviser as to whether the person is now taking reasonable steps to comply with the terms of their agreement. A decision that they are not will result in the application of a third participation agreement breach.

If the person does not attend the 4-week monitoring interview, they may be considered to be not taking reasonable steps. At least 2 attempts to contact the person should be made before such a decision is taken, with the offer of rescheduling the interview if needed. At least one of these attempts should be by letter.

**Cancellation following a third breach**

The penalty that attaches to the decision to apply a third (or subsequent) breach in a 2-year period is non-payment for 8 weeks. Payment is to be cancelled from 14 days after the decision is notified. If the parent wishes to continue or recommence receiving PP they must reclaim. An abridged claim for payment may be used where appropriate – normally if the claim is within 13 weeks of cancellation. (8.2.2)

Cancellation of PP when a third (or subsequent) breach is applied is used to stop payment once payability ceases under SSAct 500ZA.

Section 23(1A) of the Social Security (Admin) Act allows the person to claim again and have payment regranted prior to the end of the penalty period. Payments will recommence once the penalty period is finished – unless part of the penalty is waived. In that case payments may resume earlier. This is similar to the handling of NSA activity test breach penalties.

**Restoration, reclaim and payment of arrears**

Depending on the customer's response to the application of a breach non-payment penalty a range of outcomes is possible:

<b>Customer action</b>	<b>Payment outcome</b>
Demonstrates they are taking reasonable steps to comply within 13 weeks of the start of the penalty period.	Restore payment with full arrears from date of cancellation – as if cancellation had not occurred. No new claim is necessary.

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<p>Has not demonstrated taking reasonable steps to comply but lodges a new claim for PP up to 13 weeks from the start of the penalty non-payment period.</p>	<p>PP is to be granted in the usual way. If the person claims within 8 weeks of the penalty period starting, no actual payment will be made until the end of the penalty period.</p> <p>Because the break in payment is, at most, 13 weeks the person retains continuity of payment duration. Once payment recommences, require entry into a new participation agreement.</p> <p>If the person demonstrates they are taking reasonable steps to comply within 13 weeks of the start of the penalty period, pay full arrears from the start of the penalty period. Otherwise no arrears are to be paid.</p>
<p>Lodges a claim for payment more than 13 weeks after the start of the penalty non-payment period.</p>	<p>None of the breach non-payment penalty can be waived nor any arrears paid.</p> <p>If the break in receipt of income support was more than 13 weeks, there is no requirement to enter into a new agreement until the person has been on payment for 6 months.</p> <p>If the break in receipt of income support was less than 13 weeks – e.g. if the person received NSA or CP during the penalty period – the requirement to enter into a participation agreement should apply immediately. (3.5.1.240).</p>

**No early follow-up following third breach penalty**

Following a breach non-payment period, there is no early follow-up required at 6 or 4 weeks. However, if the person reclaimed PP rather than simply demonstrating they are now complying, negotiation of a new participation agreement is required as soon as the person starts receiving PP again (unless, as described above, they remained off payment for 13 weeks or more, in which case they are not required to enter into an agreement until they have been on payment again for 6 months). The person may choose to enter into a new agreement when they reclaim but they should not be required to do so until they are actually receiving payments again. Once an agreement is in place, the normal contact and monitoring cycle of a reminder letter 6 weeks after signing the agreement and quarterly progress checks is to be followed. Compliance should not be tested again until the agreement has been in place for 26 weeks.

The person should be encouraged to demonstrate they are taking steps to comply with either the previous agreement or the new one AT THE EARLIEST POSSIBLE TIME, in order to minimise the impact of the penalty. If they comply before the penalty period is finished the remainder of the penalty will be waived. Providing they comply within 13 weeks of the penalty commencing, full arrears may be paid, even if the whole of the 8-week non-payment penalty has already been served. In some cases, arrears may be able to be paid for earlier penalties for a second or even first breach if the relevant penalty periods also began within the previous 13 weeks.

***Example: Sonja has had a third breach imposed and a non-payment penalty is to begin on 4 August - 14 days after the notice of the penalty is given to her. Sonja's PP is cancelled on that date but Sonja does not respond to the cancellation advice immediately. After 4 weeks, Sonja contacts Centrelink and completes an abridged claim for PP, which is granted on 3 September***

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*with payments to start after the 8-week non-payment period is completed. Payment recommences on 29 September at the full rate. Sonja is issued with a notice requiring she enter into a new participation agreement. Sonja attends a Personal Adviser interview at Centrelink on 13 October. She agrees to include the Transition to Work program in her agreement. An appointment is made for Sonja with her local Transition to Work provider on 16 October, which Sonja attends. Following confirmation that Sonja attended the interview, full arrears of the amounts withheld during the non-payment period from 4 August through to 28 September are made. In the end, Sonja suffers no net penalty as a result of the breach.*

**Act Reference:** SSAct section 500ZC(3) Removal of cancellation and arrears of penalty amount on compliance within 13 weeks  
SS(Admin)Act section 80 Cancellation, section 37(1A) Grant PP during participation agreement breach non-payment period

Claiming another payment after a penalty is applied

A person affected by a PP participation agreement breach non-payment period or who has had their payment stopped because they failed to enter into a participation agreement when required to do so is not entitled to receive SpB even if they would otherwise be eligible.

There are no other restrictions on receiving other income support payments following the imposition of a PP penalty. However, the person would need to satisfy all of the qualification and payability criteria for the payment they were claiming – e.g. the NSA activity test or the CP provision of care criteria.

Besides the restriction on SpB, the effect of a PP breach penalty does not carry over into other payments. Any new payment would be made at the appropriate full rate, subject to the relevant income and assets test.

A parent who is considering claiming NSA to avoid the effect of a PP penalty should be made aware that they will be subject to a less flexible, full-time activity test immediately NSA is granted. They should also be aware that, UNLIKE PP penalties, NSA breach penalties DO have an impact on some other payments. For example if a NSA activity test breach penalty is in effect, benefit PPP would generally not be payable until that penalty period is over. This could be for up to 26 weeks with much more limited opportunities to have part of the penalty waived than those that apply to PP breach penalties.

**Act reference:** SSAct section 729(2)(b to c) Special Benefit not payable, section 500Y Benefit PP (partnered) not payable during NSA activity test penalties

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Date this topic last updated: **22 September 2003**

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 120**

**Topic: Centrelink/FaCS AWT publications**

**Hansard Page: CA342/Written question on notice**

**Senator Bishop** asked:

Can you tell us the cost of the glossy Centrelink FACS AWT-related publications? There are various publications: *Parents and employment: questions and answers, Australians working together: helping people to move forward.*

**Answer:**

<b>PRODUCT</b>	<b>TOTAL</b>
AWT Question and Answer A4 Booklet	\$43,410
AWT Minister's Message	\$3,954
17 x AWT Fact Sheets	\$41,204
Important Info for Community Organisations DL Brochure	\$11,041
AWT Folder – three pockets	\$67,062
What AWT means for young people – DL Brochure	\$63,621
What AWT means for mature aged people – DL Brochure	\$64,321
What AWT means for parents – DL Brochure	\$63,872
What AWT means for job seekers – DL Brochure	\$64,279
What AWT means for people with disabilities – DL Brochure	\$63,812
What is AWT? - DL Brochure	\$125,959
What AWT means for Indigenous people – DL brochure	\$10,420
Volunteering as part of AWT	\$137,615
Parents and Employment Guide	\$555,724

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 121**

**Topic: AWT publication print runs and costs**

**Hansard Page: CA342/Written question on notice**

**Senator Bishop** asked:

AWT – Please provide costings and also how many of each were produced?

**Answer:**

<b>PRODUCT</b>	<b>PRINT RUN</b>	<b>DESIGN COSTS</b>	<b>PRINT COSTS</b>	<b>ADDITIONAL COSTS</b>	<b>TOTAL</b>
AWT Question and Answer A4 Booklet	30,000	\$8,737	\$34,673		\$43,410
AWT Minister's Message	30,000	\$303	\$3,651		\$3,954
17 x AWT Fact Sheets	30,000 of each	\$11,624	\$29,580		\$41,204
Important Info for Community Organisations DL Brochure	50,000	\$3,515	\$7,526		\$11,041
AWT Folder – three pockets	30,000	\$3,450	\$63,612		\$67,062
What AWT means for young people – DL Brochure	600,000	\$1,800	\$46,507	Translations - \$15,000 Writing - \$313.50	\$63,621
What AWT means for mature aged people – DL Brochure	600,000	\$2,500	\$46,507	Translations - \$15,000 Writing - \$313.50	\$64,321
What AWT means for parents – DL Brochure	600,000	\$2,052	\$46,507	Translations - \$15,000 Writing - \$313.50	\$63,872
<b>PRODUCT</b>	<b>PRINT</b>	<b>DESIGN</b>	<b>PRINT</b>	<b>ADDITIONAL</b>	<b>TOTAL</b>

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	<b>RUN</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	
What AWT means for job seekers – DL Brochure	600,000	\$2,459	\$46,507	Translations - \$15,000 Writing - \$313.50	\$64,279
What AWT means for people with disabilities – DL Brochure	600,000	\$1,991	\$46,507	Translations - \$15,000 Writing - \$313.50	\$63,812
What is AWT? - DL Brochure	600,000	\$3,828	\$105,131	Translations - \$17,000	\$125,959
What AWT means for Indigenous people – DL brochure	50,000	\$2,580	\$7,526	Writing - \$313.50	\$10,420
Volunteering as part of AWT	40,000	\$12,612	\$121,747	Writing - \$3256	\$137,615
Parents and Employment Guide	400,000	\$8,152	\$484,534	Research and Distribution - \$63,038	\$555,724

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**Output Group: 3.1 Labour Market Assistance**

**Question: No: 122**

**Topic: 2003-04 Budget Estimates Hearing – 4-5 June 2003 Questions on Notice**

**Hansard Page: CA 343 Written question on notice**

**Senator Bishop** asked: AWT – Please provide copies of any and all correspondence that has been sent to parents who are required to attend a yearly interview and parents with their youngest child over 12 who are eligible to enter into a participation agreement?

**Answer:** Customers required to attend a yearly interview have been sent the text of the letters at *Attachment A* below. Some minor differences in text occur - shown with brackets. The same text is used for an appointment with a Jobs, Education and Training (JET) Adviser - with references to Personal Adviser replaced with JET Adviser. Following customer feedback, the letter is to be amended. The text to be used from July 2003 is at *Attachment B*.

No letters have been sent to parents with their youngest child over 12 who are eligible to enter into a participation agreement, as the requirement to enter into an agreement does not start until 20 September 2003.

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**Q122 - Attachment A:**

**Original text** (in use from 20 September 2002 – June 2003)

**Front of letter**

We have made an appointment for you with a Centrelink Personal Adviser, to look at how we can help you reach your goals. At this meeting, you can talk to your Personal Adviser about:

Your current situation, and what you want for yourself and your family  
Options for jobs, careers, acquiring new skills and how this could affect your payment  
Balancing your family responsibilities with other commitments  
Help with child care issues  
Useful resources and assistance programmes which are available for you  
Developing a practical plan of action to help you to achieve your goals

You may already be doing some paid work, or other activities such as study or voluntary work. But we would still like to talk to you about whether we can help you in any way.

Please come to:

{CONTACT.ADDR.1ST.LINE}

{CONTACT.ADDR.2ND.LINE}

{CONTACT.ADDR.3RD.LINE}

Date: {LTX.CONTACT.DATE}

Time: {LTX.CONTACT.TIME}

Under the terms of the Social Security (Administration) Act 1999, you must attend this appointment to discuss options for further assistance. Your Parenting Payment may be stopped if you do not come to this interview.

Please phone us on 131021 if you can not attend. If this time does not suit you, we may be able to arrange a different time.

If you will need an interpreter, let us know so that we can arrange one. You can also have another person with you when you talk to us, such as a friend, family member or someone else who might assist you.

At this interview we may also check that the information we have about your circumstances is correct, and that you are receiving your correct entitlement.

**Back of letter**

**What is a Centrelink Personal Adviser?**

Personal Advisers are there to help people reach their goals - such as returning to work or study, changing careers or acquiring new skills. They are there to listen, and to help people find positive solutions for everyday issues. And they can provide individual, ongoing support, tailored for each person's different needs.

**How can my Personal Adviser help me?**

You may already be doing some paid work, or undertaking study, training or other activities. You may be quite happy with your current circumstances, and your plans for the future. But you can still talk to us about other opportunities which may be available, or how we can help

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you to achieve your aims sooner. For example, you could be interested in looking at your choices for assistance with child care. Many people are surprised to find how much useful information and resources we can offer, to help make things easier for you.

If you are not doing any paid work or similar activity, your Personal Adviser can help you to look at your options. It is not always easy to get back in to work, training or study straight away, especially if you have been busy looking after your family for some time. You could have decided that you want to try something else - a new job, a new career, or a different lifestyle. We can offer you advice on these things and how it could affect your payment. We can also help you to develop a personalised action plan for yourself, to get you started in the right direction.

We understand that working towards your goals usually takes time. That is why your Personal Adviser can help you to check how you are going with your plans, and offer continuing assistance.

**What will happen at my interview?**

Your Personal Adviser may review your circumstances, and check that the information that we have about you is correct. This is to make sure that you are receiving your correct entitlement. They will talk to you about your situation, and look at what type of assistance will best suit your needs. If you have some ideas about things you would like to do, think about writing them down before your appointment.

We may invite you to develop a Participation Plan. Your Plan will set out the things you want to achieve. It can serve as a handy reference for you, setting out the contacts, referrals and resources you may use, and the activities and steps which you propose to take. We may also give you a Participation Record, to help you keep track of your progress.

Your Personal Adviser may refer you to another service provider, such as a Job Network member. You may also be referred to one of Centrelink's specialist or professional officers for further assistance.

**Do I have to attend interviews with my Personal Adviser?**

If you are receiving Parenting Payment, and if your youngest child has turned 12, then you may need to attend appointments with your Personal Adviser. If you are required to attend an appointment, the letter you get from us will make this clear. Please make sure to contact us if you can't come to this type of appointment for any reason. This is important, because your Parenting Payment could be stopped if you don't attend.

Please talk to us if you have any questions. And remember that your Personal Adviser is there to help you.

**What should I bring with me to my interview?**

Details of any changes in your income, investments or assets which have taken place since you last told us about your circumstances.

Details of your passbook or accounts that you hold with any bank or building society

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**Q122 - Attachment B:**

**New text** (to be used from July 2003)

**Front of letter**

We have made an appointment for you with a Centrelink Personal Adviser, to discuss how we may be able to help you. We would like to talk to you, even if you are already doing some paid work or other activities such as study or voluntary work.

You can talk to your Personal Adviser about your current situation, and what you want for yourself and your family. We can discuss balancing your family responsibilities with other commitments, and help with child care issues. We may be able to advise you about useful resources and assistance programmes, and fresh options for jobs, careers and acquiring new skills. We can also help you to develop a practical plan of action to help you achieve your goals.

Please come to:

{CONTACT.ADDR.1ST.LINE}

{CONTACT.ADDR.2ND.LINE}

{CONTACT.ADDR.3RD.LINE}

Date: {LTX.CONTACT.DATE}

Time: {LTX.CONTACT.TIME}

Under the terms of the Social Security (Administration) Act 1999, you must attend this appointment to discuss options for further assistance. Your Parenting Payment may be stopped if you do not come to this interview.

Please phone us on 131021 if you can not attend. If this time does not suit you, we may be able to arrange a different time.

If you will need an interpreter, let us know so that we can arrange one. You can also have another person with you when you talk to us, such as a friend, family member or someone else who might assist you.

At this interview we may also check that the information we have about your circumstances is correct, and that you are receiving your correct entitlement.

**Back of letter**

**What is a Centrelink Personal Adviser?**

Personal Advisers are there to help people reach their goals - such as returning to work or study, changing careers or acquiring new skills. They are there to listen, and to help people find positive solutions for everyday issues. And they can provide individual, ongoing support, tailored for each person's different needs.

**How can my Personal Adviser help me?**

You may already be doing some paid work, or undertaking study, training or other activities. You may be quite happy with your current circumstances, and your plans for the future. But you can still talk to us about other opportunities which may be available, or how we can help you to achieve your aims sooner. For example, you could be interested in looking at your

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choices for assistance with child care. Many people are surprised to find how much useful information and resources we can offer, to help make things easier for you.

If you are not doing any paid work or similar activity, your Personal Adviser can help you to look at your options. It is not always easy to get back in to work, training or study straight away, especially if you have been busy looking after your family for some time. You could have decided that you want to try something else - a new job, a new career, or a different lifestyle. We can offer you advice on these things and how it could affect your payment. We can also help you to develop a personalised action plan for yourself, to get you started in the right direction.

We understand that working towards your goals usually takes time. That is why your Personal Adviser can help you to check how you are going with your plans, and offer continuing assistance.

**What will happen at my interview?**

Your Personal Adviser will talk to you about your situation, and look at what type of assistance will best suit your needs. If you have some ideas about things you would like to do, think about writing them down before your appointment.

We may invite you to develop a Participation Plan. Your Plan will set out the things you want to achieve. It can serve as a handy reference for you, setting out the contacts, referrals and resources you may use, and the activities and steps which you propose to take. We may also give you a Participation Record, to help you keep track of your progress.

Your Personal Adviser may refer you to another service provider, such as a Job Network member or to one of Centrelink's specialist or professional officers for further assistance.

We may also check that the information we already have about you is correct. This is to make sure that you are receiving your correct entitlement.

**Do I have to attend interviews with my Personal Adviser?**

If you are receiving Parenting Payment, and if your youngest child has turned 12, then you may need to attend appointments with your Personal Adviser. If you are required to attend an appointment, the letter you get from us will make this clear. Please make sure to contact us if you can't come to this type of appointment for any reason. This is important, because your Parenting Payment could be stopped if you don't attend.

Please talk to us if you have any questions. And remember that your Personal Adviser is there to help you.

**What should I bring with me to my interview?**

Details of any changes in your income, investments or assets which have taken place since you last told us about your circumstances.

Details of your passbook or accounts that you hold with any bank or building society

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**Output Group: 3.1 Labour Market Assistance**

**Question No: 123**

**Topic: Personal Advisers**

**Hansard Page: CA343**

**Senator Bishop** asked:

- (a) How much contact time has been allocated for each personal adviser, per person, for parents and mature-age unemployed people with a disability?
- (b) How much contact time for each personal adviser has been allocated per person in each of the subgroups.

**Answer:**

Members of all target groups, including mature age, and job seekers with an incapacity, are nominally allocated 60 minutes per interview, however flexibility is encouraged to allow for individual circumstances and requirements.

The Better Assessment At Risk measure (this includes prison release, Indigenous and certain activity test exempt customers) and the Better Assessment Incapacitated measure are early intervention measures and have one interview as well as follow up interviews as required for up to 12 months

Parents receive at least one annual interview plus follow up interviews as required.

Mature Age, Widow & Partner Allowees receive ongoing interviews at 3, 6 or 12 months as needed.

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**Output Group: 3.2 Support for People with a Disability**

**Question No: 124**

**Topic:** Case Based Funding

**Hansard Page:** CA 467/written question on notice

**Senator Forshaw asked:**

In the budget papers it states that the government will provide an additional \$135.3 million over four years for the implementation of the new outcome focused funding model. Does it proportion it year by year? (Please provide information in table format.)

**Answer:**

<b>2003 Budget - Increased Funding for Disability Employment Assistance</b>					
<b>Measures</b>	<b>03-04 \$m</b>	<b>04-05 \$m</b>	<b>05-06 \$m</b>	<b>06-07 \$m</b>	<b>Total \$m</b>
New case based funding fee structure	0.0	9.1	28.8	29.4	67.3
Additional fees for rural and remote services	0.0	2.2	6.1	7.1	15.4
Incentives for New Apprenticeships	0.0	0.4	1.4	1.8	3.5
Work based personal assistance fees	0.0	0.9	3.4	5.2	9.4
Continued funding for existing high cost workers	0.0	1.1	5.3	9.1	15.4
Assistance to transition	6.4	5.9	6.2	3.2	21.7
Communication and consultation	0.8	0.9	0.8	0.0	2.5
<b>Grand Total \$m</b>	<b>7.2</b>	<b>20.4</b>	<b>51.9</b>	<b>55.8</b>	<b>135.3</b>

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**Output Group: 3.2 Support for People with a Disability**

**Question No: 125**

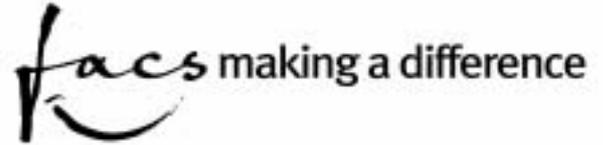
**Topic: Business Service Reviews**

**Hansard Page: CA 471 Written question on notice**

**Senator Forshaw** asked: Please provide copy of letter – ‘we sent letters out to business services in about the middle of last week regarding the opportunity for them to get some free business advice so that we can get them the sort of advice they need to make themselves profitable.’

**Answer:** A copy of the letter that was sent to all business services inviting them to apply for a business review is attached for your information.

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Facsimile 02-6244 8499

E-mail:

[www.facs.gov.au](http://www.facs.gov.au)

Dear Service Provider

The Minister for Family and Community Services, Senator the Hon Amanda Vanstone has recently written to you announcing the Commonwealth Government's Budget commitment to an additional \$161 million for disability employment assistance. One of the initiatives in this budget commitment is tailored assistance to improve the viability of business services in the lead up to quality assurance certification by December 2004.

The assistance consists of two components for business services:

- a business review by independent consultants; and
- tailored assistance flowing from the review.

If you are interested in participating in a free consultancy, you will need to complete the application form at **Attachment A and return it to the department by Thursday 12 June 2003**. Priority will be given to organisations needing immediate help. Late applications will be accepted but cannot be guaranteed early priority.

The consultants, working with your organisation and its board, will recommend strategies to improving your business service. Government funding is available for approved strategies which could include, business advice, management infrastructure, business equipment or other business restructure or enhancement needs. **See Attachment B for greater detail on the business review process.**

While your organisation is encouraged to take advantage of this opportunity, participation is voluntary.

This letter has been sent to the Chair of your Board of Management for their information. Please contact the Budget helpline on 1800 636 431 if you have any general queries about this letter or accompanying documents.

Yours sincerely

Frances Davies  
Assistant Secretary  
Disability Service Reforms Branch

27 May 2003

Senate Community Affairs Legislation Committee  
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE  
FAMILY AND COMMUNITY SERVICES PORTFOLIO  
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ATTACHMENT A

**APPLICATION FORM**

**BUSINESS REVIEWS AND TAILORED ASSISTANCE**

**Organisation Name** ..... **Org ID** .....

*Please tick one box below:*

My organisation **would like** to participate in the business reviews & tailored assistance

My organisation **would not like** to participate in the business reviews & tailored assistance

Name of CEO: .....

Signature: ..... Date: .....

The **contact person** for further arrangements in relation to the business reviews for the organisation is:

**Name:** ..... **Tel. number:** .....

**Please complete and return this form to Michael Cooper by Friday, 6 June 2003 by either:**

Facsimile 02-6244 8499 or  
Reply paid enveloped (provided) or  
E-mail [business.services@facs.gov.au](mailto:business.services@facs.gov.au) providing **all** the details  
from this form

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**ATTACHMENT B**

**BUSINESS REVIEWS AND TAILORED ASSISTANCE**

The general objective of this assistance is to identify, in conjunction with the organisation, business issues the service is facing.

**1. Business Review Process**

Business reviews will begin in June 2003 and will be undertaken progressively. Our aim is to have all reviews undertaken as soon as possible. Organisations identified by FaCS State and Territory Offices as needing help immediately will be reviewed first to provide them with the maximum time possible to implement any recommendations flowing from the reviews. For economies of scale, and to promote regional treatments where appropriate, consultants will attempt to review organisations in the same area at the same time.

Business reviews will be conducted by teams of consultants drawn from the following firms:

WalterTurnbull

PriceWaterhouse Coopers

KPMG.

The reviews will be more comprehensive than the financial reviews conducted to date by WalterTurnbull. The consultant teams will be led by an experienced senior analyst and may draw on other expertise from within their firm as required.

The consultants will be working closely with each organisation to identify the best strategies and options for improving the business service. Your organisation's involvement in the review is critical to ensuring the most appropriate strategies and assistance are identified. We are flexible about the review process and tailored assistance. If you would like a business/technical adviser to work with you and the team of consultants during the review process, please let the consultants know when they contact you to arrange your business review. FaCS will then provide you with further details about engaging the business/technical adviser.

Consultants will provide reports for each organisation detailing:

- overview of key findings
- business services and operations
- corporate governance

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**ATTACHMENT B**

- infrastructure and management environment
- financial position
- wage assessment
  
- recommendations for assistance.

If organisations have any problems with the personnel or process they must bring them to the attention of the consultants' team leader. If the problem cannot be quickly resolved, the team leader will notify FaCS National Office so that outstanding issues can be resolved.

At the conclusion of the review, the consultants will conduct an exit interview and provide a report with recommendations to the organisation. The report is a product of the review process including your discussions with the consultants. Recommendations will include an indicative cost and should conform to the guidelines set out at **Attachment C**. The consultants will discuss the report and recommendations with the organisation. Where agreement cannot be reached between the organisation and the consultants, the organisation can provide an exception report in the form of a management response to FaCS.

## **2. Tailored Assistance to Selected Business Services**

As part of the business reviews, the consultants will, in consultation with the organisation, recommend strategies to assist individual business services to improve their business service. The Government has funds to assist services implement the recommendations. As a rough guide, funding made available will be based on an amount for each 'on the books' consumer in an organisation, plus a small loading for rural and remote services.

### **Process**

Funds will be made available to organisations after the consultant's report has been received and considered by FaCS. Organisations will be required to sign a separate funding agreement for these funds which will need to be acquitted.

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**TAILORED ASSISTANCE**

Tailored assistance may be available to organisations operating business services and to those operating mixed open and supported services with respect to the business service component. Funding will be made available to those organisations, which, according to the review recommendations, have the potential to benefit from the assistance being provided. Funding may be provided for the purposes indicated below:

**Business advice**

- Purchase of specific advice on any business related issues identified by the consultants as requiring attention and including, but not limited to:
  - advice on the development of new markets or new product lines, development of business plans or assistance with systems development

**Management infrastructure**

- Purchase of training and technical assistance for boards and managers on business and governance related topics, including training for new boards and managers.
- Purchase of computers and software.

**Other business restructure or enhancement**

- Costs relating to organisational change and alternative business models including amalgamation, reauspicing, franchising, establishing a consortium and collaboration with other business services or other businesses on a range of functions
- Assistance in developing community business partnerships
- Purchase of training for workers (eg where a business is moving into a new line or acquiring new machinery)
- Funding of marketing, advertising, rebadging and reprofiling

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**ATTACHMENT C**

**Business equipment**

- Grants for the purchase of equipment and infrastructure
  - grants will be provided where the review report indicates the business service will benefit by enabling it to upgrade equipment, introduce better technology or new equipment as a result of a change in business direction
  - **equipment grants cannot be used for the purchase of land and/or buildings**, although they might be used for fit outs or to negotiate a lease on new premises.

**General guidelines**

- Assistance can include the pooling of resources between organisations if this is recommended by the consultants and acceptable to all the affected organisations.
- During the review process organisations may suggest strategies and options other than those listed above and if these are supported by the consultants, they will be considered for inclusion in their recommendation.
- No funding can be used for recurrent salaries, but it could be used to pay out staff after structural change.
- The total funds allocated to any organisation and the purpose for which they are to be used will be decided by the department after reviewing the consultant's recommendations and the organisation's response, against these guidelines and funding available.
- Organisations should advise the consultants if they are willing to contribute to supplement the funding available from the department to implement the recommendations.
- Consultants' recommendations will indicate the period over which the funding is to be spent.
- All organisations receiving funding are to sign a funding agreement setting out the timeframe and the way in which the funding is to be spent. These funds will need to be acquitted.

**Final decisions on the funding of tailored assistance are to be made by FaCS on the basis of the consultants' report and recommendations and any exception report available.**

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**Output Group: 3.2 Support for People with a Disability**

**Question No: 126**

**Topic: Business Service Wage Assessment Tool**

**Hansard Page: CA 473 Written question on notice**

**Senator Forshaw asked:**

Has the reference group collectively endorsed it? ACROD?

**Answer:**

- On 10 April 2003 the Wage Tool Reference Group recommended the release of the Wage Assessment Tool with a six-month post implementation review. The post implementation review was agreed in response to ACROD's concerns that the amendments to the wage tool that were agreed at the meeting were untested.
- Subsequently ACROD raised issues with technical aspects of the tool, which are subject to an independent review.

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**Output Group: 3.2 Support for People with a Disability**

**Question No: 127**

**Topic: Business Service Wage Assessment Tool**

**Hansard Page: CA 473 Written question on notice**

**Senator Forshaw** asked:

What were the costs of the tendering process for the agency that will administer it?

**Answer:**

- An open tender for the provision of wage assessment services was advertised nationally in December 02 /January 03. Tenders closed 30 January 2003.
- Walter and Turnbull were engaged to provide independent probity advice and to develop an evaluation strategy that was used by the Tender Evaluation Panel.

<b>Total Cost Advertising.....</b>		
	<b>\$22,198.40</b>	<b>(plus GST)</b>
<b>Probity Advice</b>	<b><u>\$25,000.00</u></b>	<b>(plus GST)</b>
	<b><u>\$47,198.40</u></b>	<b>(plus GST)</b>

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**Output Group:** 3.2 Support for People with Disabilities      **Question No: 128**

**Topic:** Risk Profiling for DSP

**Hansard Page:** CA 279

**Senator Bishop** asked: Can you provide the actual dollar terms, rounded off, and the proportion of the \$90 million savings for each of the two subcomponents?

**Answer:**

Of the \$89 million (fiscal balance figure) in net savings, \$28m (32%) is derived from variations to payment and \$61m (68%) is from cancellations.

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**Output Group:** 3.2 Support for People with Disabilities      **Question No: 129**

**Topic: Risk Profiling for DSP**

**Hansard Page: CA 279**

**Senator Bishop** asked: Do we have any figures on how many DSP recipients will be reviewed off DSP and onto other forms of benefits at the moment? Have we done any work in that area?

**Answer:**

The estimated number of DSP customers who will transfer to other income support payments as a result of the 2003-04 Budget measure 'Disability Support Pension – Enhanced Reviews' is 181 over 4 years.

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**Output Group: 3.2 Support for People with Disabilities**

**Question No: 130**

**Topic: Risk Profiling for DSP**

**Hansard Page: CA 279**

**Senator Bishop** asked: Which payments do you anticipate they will transfer to and the numbers involved from the process. What proportion of the savings you have identified come from people being shifted to other benefits, as opposed to dropping out or being cancelled?

**Answer:**

The estimated number of DSP customers who will transfer to other income support payments as a result of the 2003-04 Budget measure 'Disability Support Pension – Enhanced Reviews' is 181 over 4 years.

<b>Payment (allowance rate)</b>	<b>No. Transfers</b>
Austudy Payment	3
Newstart Allowance	106
Parenting Payment (Partnered)	10
Sickness Allowance	3
Youth Allowance (students)	3
Widow Allowance	3
Carer Payment	33
Parenting Payment (single)	20
<b>Total Transfers</b>	<b>181</b>

1.2 % of the estimated savings over 4 years is derived from reviews that result in a transfer to another income support payment.

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**Output Group:** 3.2 Support for People with Disabilities **Question No: 131**

**Topic: Proposed Changes to the Disability Support Pension (DSP)**

**Hansard Page: CA 280**

**Senator Bishop** asked: How much of the forecast savings from non-implementation of last year's budget measures is in the yet to be realised category?

**Answer:**

None of the \$172.46m in forecast savings from the following measures to reform the Disability Support Pension (DSP) has been realised:

- Keeping People Better Engaged;
- Improving Assistance and Work Capacity; and
- Recognising the Capacity of Mature Age People.

The (Disability Reform) (No.2) Bill required to enact these changes was not passed by the Senate for a second time on 26 June 2003.

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**Output Group: 3.2 Support for People with a Disability**

**Question No: 164**

**Topic: Employment Assistance for People with Disabilities and CRS**

**Hansard Page: CA#/Written question on notice**

**Senator Bishop asked:** Please provide for each component (program) of the total budget devoted to employment for people with disabilities

- a) the current level of funding
- b) funding over the four year forward estimates period
- c) clients assisted in 2001-02
- d) clients assisted in 2002-03
- e) employment and other outcomes for these years?

Please provide the same details for CRS?

**Answer:**

**Employment Assistance for People with Disabilities:**

- a) In 2002-03, \$309.496 million was appropriated for the Employment Assistance and Other Services item.  
The Employment Assistance and Other Services item is a broad-banded appropriation, which includes employment assistance and other programs of assistance such as advocacy and respite.
- b) Funding for the Employment Assistance and Other Services appropriation over the four year forward estimates period is as follows:
  - 2003-04 \$367.659m
  - 2004-05 \$432.054m
  - 2005-06 \$490.553m
  - 2006-07 \$524.362m
- c) The number of clients assisted by disability employment services in 2001-02 was 64,811.
- d) The number of clients assisted by disability employment services in 2002-03 is not available at this time. The Department collects this information as part of its annual Census of Commonwealth funded disability employment service providers. Census data will be available in November 2003.
- e) Employment and other outcomes for 2001-02 and 2002-03 are as follows:
  - Of the 64,811 assisted, 43,885 consumers worked for some time during 2001-02. Of those who worked, 34,682 consumers worked at least eight hours per week, for at least three months.
  - The number of consumers who achieved a sustainable employment outcome in 2002-03 is not available at this time.

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**Commonwealth Rehabilitation Services**

- a) In 2002-03, \$113.158 million was appropriated for the provision of rehabilitation services.
- b) Funding for the Rehabilitation Services appropriation over the four year forward estimates period is as follows:
- 2003-04 \$129.048m
  - 2004-05 \$156.597m
  - 2005-06 \$161.582m
  - 2006-07 \$165.905m
- c) The number of clients assisted by CRS Australia in 2001-02 was 30,205.
- d) The number of clients assisted by CRS Australia for all of 2002-03 is not available at this time. As at 30 April 2003, CRS Australia had assisted 27,236 clients.
- e) Employment and other outcomes for 2001-02 and 2002-03 are as follows:
- A total of 6,103 people being assisted by CRS Australia achieved an employment outcome of 13 weeks or more continuous employment in 2001-02. A further 4,687 achieved non-employment outcomes such as study or volunteer work.
  - In 2002-03, CRS Australia's funding Agreement with the Department of Family and Community Services sets a target of 7,300 employment outcomes.

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**Output Group: 3.3**

**Question No: 1**

**Topic: Carer Allowance**

**Hansard Page: CA#/Written question on notice**

**Senator Denman** asked:

**Carer's Benefit**

1. Are there any circumstances when co-residence is not a requirement of the carer's benefit?

2. What are the differences between the 'nursing benefit' and the 'carer's benefit'?

My questions stem from an article that appeared on the front page of the Sunday Examiner, last weekend (1 June).

*The article describes the situation of a 68 yr old quadriplegic who lives on his own, but is being cared for by his sister who lives with her husband, 1.3km away.*

*His sister cooks for him, washes his clothes, does his shopping, cleans his cottage, and responds to his phone calls if he falls or needs help during the night. Her assistance allows him to live alone; maintain his privacy and independence.*

*However, following a review at the end of last year, his sister lost her entitlement to the carer's allowance because she does not live with him.*

3. In the existing legislation, is there opportunity for the Minister for Family and Community Services, to exercise her discretion in this instance; considering the carer is clearly a deserving recipient of assistance and it is beneficial to ensure the support provided by the carer continues? (This assistance also ensures the individual does not need to move into a nursing home – which ultimately saves the Commonwealth Government money, and is the strong wish of this individual)?

4. If not, does not Minister consider that this is a part of the legislation that warrants review – that is, the legislation is sometimes failing to benefit individuals and the Commonwealth Government?

5. Does the Minister acknowledge that there are instances when it is appropriate and desirable for both the individual being cared for, and the carer, that assistance be provided in a way that assists individuals and their carers to live at separate residences?

**Answer:**

1. Co-residence is not a requirement of Carer Payment. Co-residence is a requirement of Carer Allowance. Section 954(d) of the Social Security Act 1999 requires that the carer and the care receiver live together to qualify for Carer Allowance. To satisfy this requirement the carer and care receiver must typically spend each night and have at least one meal daily in the same house. This ensures that payment of the allowance is made to those carers who provide care and attention when required by the care receiver, including overnight.

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2. Domiciliary Nursing Care Benefit (DNCB) was combined with Child Disability Allowance to become Carer Allowance on 1 July 1999. When Carer Allowance was introduced all DNCB customers were transferred to the new payment on the understanding that they would be reviewed within two years.

Qualification for DNCB was based on the requirement that nursing home level of care was required and assessments were generally made by registered nurses. It was also a requirement of DNCB that care be provided in a private home that was the residence of both the carer and care receiver.

Aspects of the eligibility criteria for DNCB were transferred to Carer Allowance, including the co-residency requirement.

The major difference between DNCB and Carer Allowance is in the assessment process. The subjectivity of assessment under DNCB has been replaced with the more objective assessment provided by the Adult Disability Assessment Tool (ADAT). The ADAT measures the level of care required regardless of the type or cause of disability. This ensures access to payment based on care needs.

3. There is no discretion under the *Social Security Act 1991* for the Minister to change this legislative requirement for individual cases.

4. Requiring the carer and care receiver to live together provides some assurance that a minimum level of care is being provided by the carer.

5. It is not possible to anticipate the needs of every carer and care receiver - their circumstances and support needs can be complex and various. Nevertheless, Carer Allowance is designed to assist as many carers as possible where they provide care and attention in the home of the carer and the person(s) being cared for.

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**Output Group: 3.3**

**Question No: 132**

**Topic: Carer Allowance**

**Hansard Page: CA#/Written question on notice**

**Senator Harradine asked:**

**Question**

Senator Harradine referred to an article in *The Examiner* (Launceston) on 1 June 2003 where the story of the case of Harry Belbin is detailed. Mr Belbin is a quadriplegic and lives on his own in East Devonport. He can only maintain his lifestyle with the support of his sister, Shirley and his brother in law Jack. Shirley and Jack live 1.3km away, but call in regularly to assist Mr Belbin. Changes to the rules for Carer Allowance means that Shirley and Jack can no longer claim Carer's Allowance, as they don't live under the same roof as Mr Belbin. Without the support of Shirley and Jack, Mr Belbin would have to move into supported accommodation. It seems that the rules are having the unintended effect of worsening Mr Belbin's life, rather than assisting him to improve it. What can the Department do to assist Mr Belbin to keep the current very successful arrangements? Is this not a case where some discretion ought to be allowed?

**Answer**

It was a requirement of the *National Health Act 1953* that to qualify for Domiciliary Nursing Care Benefit (DNCB) the carer and the care receiver live together in the same private home. DNCB was combined with Child Disability Allowance to become Carer Allowance on 1 July 1999. It would appear that the legislation was not consistently applied and that some carers, who did not live with their care receivers, qualified for payment while others in the same circumstances did not.

Mrs Jordan was in receipt of DNCB until 30 June 1999 for the care she provided to her brother, Mr Belbin. It is understood that the Hon Neal Blewett, then Minister for Health, approved payment of DNCB for her. This would appear to be outside the then legislation (*National Health Act 1953*). Mrs Jordan was transferred to Carer Allowance on 1 July 1999 (along with 51 856 other ex-DNCB customers) on the understanding that her eligibility would be reviewed within two years. Mrs Jordan's eligibility was reviewed in December 2002 and cancelled because she does not live with her brother, Mr Harry Belbin.

There is no discretion under the *Social Security Act 1991* for the Minister to change this legislative requirement for individual cases.

Mr Belbin may apply to the Department of Health and Ageing for an aged care package and/or home care services. FaCS only provides carers with financial support limited to Carer Payment and Carer Allowance.

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**Output Group: 3.3**

**Question No: 133**

**Topic: Carer Allowance**

**Hansard Page: CA477**

**Senator Moore** asked:

Carers Allowance –

- (a) Provide statistics to show how many people are claiming?
- (b) Statistics on the number of cases that are rejected

**Answer:**

Centrelink has supplied the following data:

- (a) From January to December 2002 there were 128,249 claims for Carer Allowance.
- (b) From January to December 2002 there were 31,906 rejections of Carer Allowance.

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**Output Group: 3.4 Support for the Aged**

**Question No: 134**

**Topic: Concession Cards**

**Hansard Page: CA463**

**Senator Allison asked:** Is it possible to provide a list of how many people are on each of those cards and what the cost to the Commonwealth of those cards is in relation to the reimbursement to the states where there is a state subsidy involved?

**Answer:** See Question 135 for number of cardholders

Before 1993 the Pensioner Health Benefit (PHB) card (which became the Pensioner Concession Card (PCC) in 1994) was subject to a separate income and assets test which meant it was only available to pensioners receiving close to the maximum rate of pension. States provided concessions to holders of the PHB. There was no Commonwealth contribution towards the cost of providing these concessions. On 1 April 1993 the Commonwealth extended the then (PHB) card to people receiving part-rate pensions, and older long-term beneficiaries (people aged over 60 who are not on a pension but who had been receiving income support payments for greater than nine months).

At the 1993 Premiers' Conference the Prime Minister agreed to supplement the States and Territories for the costs of paying a core group of concessions to the extended group of card holders. This payment is made through a Specific Purpose Payment (SPP) entitled Compensation for the extension of fringe benefits to pensioners and older long-term allowees and beneficiaries. The core concessions are for utilities, municipal and water rates, public transport and motor vehicle registration.

Concessions provided by the States to holders of Health Care Cards are at their discretion. There is no Commonwealth supplementation for these concessions. The Commonwealth is currently working to extend concessions to holders of the Commonwealth Seniors Health Card – see Question 136/137

The amounts to be paid to each state and territory in 2003/04 are included below,:

<b>State</b>	<b>\$ (2003/04)</b>
Australian Capital Territory	1,306,000
New South Wales	64,340,000
Queensland	32,116,000
Northern Territory	895,000
Western Australia	16,172,000
South Australia	18,297,000
Victoria	45,995,000
Tasmania	5,876,000
<b>Total</b>	<b>184,997,000</b>

**Source:** Family and Community Services (FaCS) budget papers and FaCS administrative systems.

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**Output Group: 3.4 Support for the Aged**

**Question No: 135**

**Topic: Concession Cards**

**Hansard Page: CA463**

**Senator Allison asked:** Will the group on that fourth card (Low Income Health Care Card) be included in the health care concession cards that are going to relate to the new Medicare proposals?

It would be good to get a schedule of all of that, with the numbers of persons who are on each one?

**Answer:** The Low Income Health Care Card (LIC) is included in the Government's Medicare bulk billing proposals announced as at 28 April 2003. The total number of concession card holders by card type in each state, including the LIC, as shown below:

<b>STATE</b>	<b>PCC</b>	<b>HCC</b>	<b>LIC</b>	<b>CSHC</b>
ACT	30551	12934	4201	5673
NSW	1044193	417834	74680	104611
NT	18313	23829	1234	818
QLD	589464	277246	67220	49529
SA	290728	107595	25702	19510
TAS	95734	43362	10527	5649
VIC	777795	314698	111476	70435
WA	274822	128680	35196	26466
<b>Total</b>	<b>3121600</b>	<b>1326178</b>	<b>330236</b>	<b>282691</b>

*Source: Centrelink Superstar data June 2003.*

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**Output Group: 3.4 Support for the Aged**

**Question No:136/137**

**Topic: Concession Cards**

**Hansard Page: CA463**

**Senator Allison asked:** Which states acknowledge the various cards by way of providing concessions on public transport and other charges?

**Answer:** All States provide the core concessions to Pension Concession Card (PCC) holders. The core concessions are for utilities, municipal and water rates, public transport and motor vehicle registration.

The Commonwealth has no influence over concessions provided by the states and territories to other card holders (eg Health Care Cards, etc), and they offer these concessions at their own discretion. As a general observation, Health Care Card holders receive a lesser range of concessions than Pension Concession Card holders, however the Commonwealth does not collect this information in a systematic way as it does not fund these concessions

The Commonwealth is working to extend benefits to self funded retirees who qualify for the Commonwealth Seniors Health Card (CSHC). The Government announced in the 2001-02 budget that the Commonwealth would negotiate with state and territory governments to extend some, or all of the concessions currently available to pensioners, to holders of the CSHC.

As a result of ongoing negotiations, the Commonwealth last year offered the States and Territories around \$65 million per annum in total to assist with the cost of extending core pensioner concessions to Commonwealth Seniors Health Card holders. This offer represents approximately 60 per cent of the full cost of extending these concessions.

While the Commonwealth has not received favourable responses to its funding offer from most states and territories, negotiations will continue. As state and territory governments are primarily responsible for delivering concessions and for the eligibility rules that apply to the concessions, the Commonwealth cannot implement this initiative without their cooperation and support.

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**Output Group:** 3.4 Support for the Aged

**Question No:** 138

**Topic:** Pension Bonus Scheme

**Hansard Page:** CA477/Written question on notice

**Senator Moore** asked:

How many appeals or requests for retrospective grants have there been under the pension bonus scheme?

**Answer:**

Data on bonuses granted under the Pension Bonus Scheme (PBS) is available for the period from 1 July 1998 to 31 March 2003. Over this period, 13 319 bonuses were paid.

For the same period, data on appeals against PBS decisions is available to 30 June 2003. From 1 July 1998 to 30 June 2003, there were 410 applications for review of decisions. These concerned the period over which a person's bonus was calculated or the status or length of the person's membership under the pension bonus scheme.

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**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**  
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**2003-04 Budget Estimates, 4-5 June 2003**

**Output Group: 3.4**

**Question No: 139**

**Topic: Assets and income test data**

**Hansard Page: CA 478 /Written question on notice**

**Senator Moore** asked:

- a) Can you provide details of the number of people, by pension type and family situation, who receive a reduced pension under the assets test?
- b) For each pension type and family situation, can you provide a distribution of recipients in bands of \$25,000 and the relevant asset test threshold for the assets test cut-out?
- c) Do you have any information on the number of pensioners who do not qualify due to the assets test but would qualify if their income alone would allow a pension to be granted?

**Answer:**

**Tabulations are all for customers assessed under the assets test and on a reduced rate**

**a)**

	<b>Partnered rate</b>	<b>Unpartnered rate</b>	<b>Total</b>
Age pension	96,745	37,689	134,434
Disability support pension	4,813	2,023	6,836
Wife pension	797	5	802
Widow pension class B	-	19	19
Carer payment	1,313	328	1,641
<b>Total</b>	<b>103,668</b>	<b>40,064</b>	<b>143,732<sup>1</sup></b>

**b)**

**Homeowner Unpartnered Rate\***

<b>Assets as assessed range</b>	<b>Age pension</b>	<b>Disability support pension</b>	<b>Wife pension</b>	<b>Widow pension class B</b>	<b>Carer payment</b>	<b>Total</b>
More than \$145,250 to \$170,000	6,290	439	-	1	60	6,790
More than \$170,000 to \$195,000	8,613	451	-	4	63	9,131
More than \$195,000 to \$220,000	7,220	319	-	4	63	7,606
More than \$220,000 to \$245,000	5,377	236	2	6	32	5,653
More than \$245,000 to \$270,000	3,484	140	1	1	21	3,647
More than \$270,000 to \$294,000	1,591	73	1	1	13	1,679
<b>Total</b>	<b>32,575</b>	<b>1,658</b>	<b>4</b>	<b>17</b>	<b>252</b>	<b>34,506</b>

<sup>1</sup> This total refers to individuals although it should be assumed that those on a partnered rate are in households with people also in receipt of an income support payment.

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**Homeowner Partnered Rate\***

<b>Assets as assessed range</b>	<b>Age pension</b>	<b>Disability support pension</b>	<b>Wife pension</b>	<b>Carer payment</b>	<b>Total</b>
More than \$103,250 to \$125,000	27,515	1,583	337	417	29,852
More than \$125,000 to \$150,000	28,361	1,421	247	375	30,404
More than \$150,000 to \$175,000	20,517	902	111	244	21,774
More than \$175,000 to \$200,000	13,065	522	59	147	13,793
More than \$200,000 to \$225,000	5,968	254	22	81	6,325
More than \$225,000 to \$226,750	89	3	-	2	94
<b>Total</b>	<b>95,515</b>	<b>4,685</b>	<b>776</b>	<b>1,266</b>	<b>102,242</b>

**Non-homeowner Unpartnered Rate\***

<b>Assets as assessed range</b>	<b>Age pension</b>	<b>Disability support pension</b>	<b>Widow pension class B</b>	<b>Carer payment</b>	<b>Total</b>
More than \$249,750 to \$275,000	412	52	1	8	473
More than \$275,000 to \$300,000	865	71	-	17	953
More than \$300,000 to \$325,000	1,048	83	-	12	1,143
More than \$325,000 to \$350,000	804	71	1	16	892
More than \$350,000 to \$375,000	566	49	-	10	625
More than \$375,000 to \$398,500	288	18	-	7	313
<b>Total</b>	<b>3,983</b>	<b>344</b>	<b>2</b>	<b>70</b>	<b>4,399</b>

**Non-homeowner Partnered Rate\***

<b>Assets as assessed range</b>	<b>Age pension</b>	<b>Disability support pension</b>	<b>Wife pension</b>	<b>Carer payment</b>	<b>Total</b>
More than \$155,500 to \$180,000	279	40	4	8	331
More than \$180,000 to \$205,000	384	31	6	20	441
More than \$205,000 to \$230,000	261	27	7	7	302
More than \$230,000 to \$255,000	168	16	3	7	194
More than \$255,000 to \$279,000	62	7	1	3	73
<b>Total</b>	<b>1,154</b>	<b>121</b>	<b>21</b>	<b>45</b>	<b>1,341</b>

*NB: Data Sourced from Centrelink Administrative Data – June 2003-06-30*

\* 1244 customers do not appear in the detailed tabulations as the value of their assets as assessed exceeds the usual threshold for the following reasons:

- (i) There is an increase in the thresholds for those on rent assistance.
- (ii) In cases of 'severe financial hardship' where customers have assets with little or no income, and are unable to rearrange their affairs, different tests are applied.

c)

We are unable to provide information on this group, as Centrelink does not hold any information on people who are ineligible for payment.

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**Output Group: 3.4 Support for the Aged**

**Question No: 140**

**Topic: Age Pension Assets Reviews**

**Hansard Page: CA315 Written question on notice**

**Senator Bishop** asked:

Will the age pension assets review impact on age pensioners in nursing homes who have left their family home?

**Answer:**

When a pensioner leaves their family (principal) home and moves into a care situation special provisions apply that can exempt the principal home from the assets test. The period of exemption is based on the pensioner's individual circumstances.

If a pensioner vacates their principal home to enter a care situation, the principal home continues to be an exempt asset, under the assets test, for a 2 year period.

If, after 2 years, they have not returned to their principal home the pensioner is treated as a non-homeowner, with the associated more generous assets limits and the principal home becomes an assessable asset.

The principal home can be exempt for up to 5 years after the pensioner enters into high (nursing home) level care. The 5 year period applies if the pensioner has an accruing liability to pay an accommodation charge and their principal home is rented out. The rent received will be exempt from the income test for the same period that the principal home is exempt from the asset test.

It is important to note that for a couple where one partner resides in a care situation the principal home remains an exempt asset while the other partner is still in residence.

Existing review mechanisms review the pensioner's circumstances when their principal home is no longer exempt from the assets test i.e. at the end of the 2 or 5 years as applicable.

Under the age pension real estate asset reviews a pensioner with a principal home would only be selected if their principal home was no longer an exempt asset (assuming that they do not own other real estate). Such a review would not necessarily impact on a person's pension. A person's circumstances are assessed against the income test and the asset test and the test that produces the lower pension is the test that applies. The real estate reviews would only impact on a person's pension if the assets test determined the pension payable.

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**Output Group: 3.4 Support for the Aged**

**Question No: 141 & 142**

**Topic:**

**Hansard Page: CA 315**

**Senator Bishop** asked:

Do you have data on how many people have left their family home and gone into a nursing home but retained the family home as an asset? Do you have that specific data or access to it? — If the answer is that the department does have access to or can access such information, can you take on notice how many persons will be affected? (141)

How many people in nursing homes continue to have their family home? (142)

**Answer:**

Special provisions apply that can exempt the family (principal) home for a period of up to two years from the date a pensioner enters into a care situation. Also, an exemption may, in certain circumstances, apply for up to five years from the date the pensioner enters into high (nursing home) level care.

During the period of exemption, pensioners continue to be regarded as homeowners for Social Security purposes. When the exemption period has ceased, the pensioners are then considered to be non-homeowners for Social Security purposes.

For Social Security purposes a pensioner is regarded as being in a care situation if they are in:

- community based care i.e. receiving care in a private home;
- hostels defined as “in residential care”;
- long-term hospital stay; or
- high (nursing home) level care.

It is only possible to separately identify those pensioners that are in low (hostel) or in high (nursing home) level care.

As at 13 June 2003, 111,337 pensioners were recorded as being in low (hostel) or high (nursing home) level care. Of these, 35,527 are recorded as homeowners.

The remaining 75,810 pension customers in low (hostel) or high (nursing home) level care are regarded as non-homeowners for Social Security purposes. It is not possible to identify which of these non-homeowner pensioners still own the former family home. Some would not have owned the home at the time they entered the hostel or nursing home. When a former family home is no longer exempt from the assets test it is not identified as a former family home. It is recorded as real estate in the same manner as holiday homes or a rental investment property.

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**Output Group: 3.4 Support for the Aged**

**Question No: 143**

**Topic: Asset Test Review Debts**

**Hansard Page: CA 316**

**Senator Bishop** asked:

- (a) How many age pensioners have incurred asset test review debts in each of the last seven years?
- (b) What is the average value of those debts in each of the years?

**Answer:**

The major reviews for age pensioners are the automated reviews such as the regular six monthly automated updating of the value of shares and managed investments and the Pension Entitlement Reviews (since replaced by risk profiling).

It is assumed that the context of the question is around the asset test review of pensioners' real estate.

The policy is that no debts are raised where a review of real estate indicates an increase in the value of the real estate. This is because of the difficulties in establishing the actual date that the increase in value occurred.

However, where a review indicates that there has been a change in ownership such as the sale or purchase of an additional property or that the pensioner has failed to advise of any other change in their circumstances then a debt may be identified and raised, as there has been a change in circumstances. Available data does not indicate the extent to which changes in asset holdings contributed to the debts raised.

In addition to the reviews mentioned above there are specific assets test compliance reviews that are aimed at checking for the non-disclosure of changes in asset holdings. These reviews are concerned with data matching with the Australian Taxation Office (ATO) to locate assets not declared to Centrelink and reviews of customers who have an interest in a private trust or company. Details of debts raised under these processes, which commenced in 1999-00, are identified below.

**ATO and Trust and Company Reviews**

Year	Number of Asset Reviews	Total Number of Debts	Total dollar value of debts	Average dollar value per debt
2001-02	5307	1433	6 832 446	4 768
2000-01	3197	580	3 533 511	6 092
1999-2000	1550	212	831 400	3 921