



**CONTEXT**

**Question:** What is the background to financial case management?

**Answer:** From 1 July 2006, as part of the Welfare to Work reforms, there will be a new approach to compliance for all customers with activity test requirements.

- An eight-week non-payment period will apply to those who, without a reasonable excuse, fail to comply with their participation requirements three or more times in a 12 month period; refuse a job offer, are dismissed from employment due to misconduct or leave a job voluntarily, and to very long-term unemployed customers who fail to participate in full-time Work for the Dole.
- If the customer has dependant children or if the imposition of an eight-week non-payment period is likely to cause hardship to other vulnerable dependents, or if a customer is considered exceptionally vulnerable, the customer will be offered financial case management.

**Question:** Who is eligible for financial case management?

**Answer:** Customers with vulnerable dependants, or those assessed as exceptionally vulnerable.

Vulnerable dependants are:

- dependent children and/or
- any other person who:
  - lives with the job seeker; AND
  - has expenses in addition to living expenses, generally as a result of illness or incapacity, which they would normally rely, at least in part, on the job seeker to help meet; AND
  - is unable to meet those expenses because of the imposition of the job seeker's non-payment period.

'Exceptionally vulnerable' customers are generally job seekers who meet all of the following conditions:

- they have a recognised disability, medical condition or physical or mental impairment;
- they require medication to manage that condition or impairment; and
- they do not have sufficient funds available to purchase essential medication.

**Question:** What are classed as 'essential expenses'?

**Answer:** Essential expenses are those expenses that a customer incurs that are required to sustain their dependents or meet their particular needs because of their exceptional vulnerability. These may include:

- food, rent, mortgages, medical expenses, rates, gas, electricity, telephone, public transport, and other reasonable and unavoidable costs;
- cost of repairs or replacement of essential whitegoods;

- school expenses;
- funeral expenses;
- essential expenses arising from birth or adoption of a child;
- expenditure to replace essential household goods lost through theft or natural disaster;
- cost of essential repairs to the person's car or home;
- premiums for vehicle or home insurance; and
- expenses for vehicle registration.

### **CENTRELINK ROLE**

**Question:** How will a customer be assessed as eligible for financial case management?

**Answer:** A centralised Centrelink team will thoroughly assess and decide on all recommendations to impose an eight-week non-payment period. Assessments will be made in consultation with specialist staff.

Following a decision to impose an eight-week non-payment period, a Centrelink officer in the centralised team will assess the customer's eligibility for financial case management. Specialist staff, such as social workers, will also be consulted in each assessment.

**Question:** How will Centrelink refer customers to an NGO?

**Answer:** Each customer who is eligible for financial case management will receive a letter and telephone call to inform them of their eligibility for financial case management, and to identify NGOs within the customer's local area that can provide this service. The customer then decides which NGO they would like to attend.

### **WHAT IS THE ROLE OF AN NGO**

**Question:** What does an NGO do when providing financial case management services?

**Answer:** NGOs will be responsible for:

- Registering the customer with Centrelink;
- Assessing, and obtaining evidence about, the essential expenses of the customer each fortnight;
- Recommending to Centrelink which essential expenses should be paid each fortnight;
- As required, negotiating reduced or deferred payment of essential expenses (bills).

NGOs may also choose to make other community referrals for a customer.

**Question:** Does an NGO have to offer any other services to customers referred for financial case management?

**Answer:** An NGO providing financial case management services is only required to provide the customer with services as outlined in the contract.

#### **PAYMENTS AND LIKELY VOLUME OF WORK**

**Question:** How are NGOs to be paid for providing financial case management services?

**Answer:** Centrelink will pay NGOs a service fee of \$591.00 + GST for each customer they provide financial case management services.

This fee will be paid in two parts. The majority of the fee will be paid upon registration of the customer with Centrelink. The final part of the fee will be paid at the end of the non-payment period once all documentation relating to essential expense payments (such as bills/invoices) has been received by Centrelink.

**Question:** Can Centrelink predict or guarantee the volume of financial case management referrals an NGO might receive?

**Answer:** Centrelink will not be able to predict where or when a customer may have an eight-week non-payment period imposed, and be assessed as eligible for financial case management. The Department of Employment and Workplace Relations estimate that around 4000 people in total may become eligible for financial case management in 2006-07.

#### **HOW WILL IT ALL WORK?**

**Question:** How will a customer's bills and essential expenses be identified and paid?

**Answer:** An NGO will, on a fortnightly basis, undertake an assessment of the customer's financial situation and recommend to Centrelink which essential expenses should be paid:

- Preceding these discussions, the NGO will contact Centrelink and be advised of the customer's notional entitlement – that is, the maximum amount of income available for payment of essential expenses in that fortnight.
- The NGO, in consultation with the customer, will identify the customer's essential expenses for that fortnight.
- The NGO will then recommend to Centrelink which essential expenses should be paid, by completing and faxing an expense lodgement form (as provided by Centrelink) to Centrelink. By fully completing this form the NGO will provide Centrelink with sufficient information (i.e. account numbers) to permit Centrelink to pay the customer's essential expenses.
- Centrelink will then proceed to pay the bill electronically.

**Question:** How much money can be spent in paying a customer's essential expenses (bills)?

**Answer:** Each customer will have a 'notional entitlement' each fortnight that is capped at the amount of income support the customer would otherwise have been eligible for. This 'notional entitlement' can only be used for the payment of approved essential expenses. Any unused part of the 'notional entitlement' may be rolled over to the next fortnight.

**Question:** Should an NGO consider other household income before recommending the payment of essential expenses?

**Answer:** When an NGO undertakes an assessment of a customer's financial situation the NGO should take into account all income that is available to the family.

**Question:** What happens if a customer does not have enough 'notional entitlement' to cover all their essential expenses?

**Answer:** NGOs are asked to assess and prioritise the payment of essential expenses, based on the funds available. Once these funds have been exhausted the NGO may choose to refer the customer to another community agency or emergency relief provider.

**Question:** How will a customer be provided with food?

**Answer:** There are several options in regard to the provision of food. An NGO could:

- issue a food voucher to the customer, and seek reimbursement from Centrelink for the cost of the voucher;
- request Centrelink pay a supermarket directly; or
- request Centrelink pay the NGO in advance so that the NGO can make a direct payment.

**Question:** What if the customer has an urgent bill?

**Answer:** NGOs can contact Centrelink and request an urgent payment. Centrelink will assess whether the customer has enough 'notional entitlement' and advise immediately of whether and when the bill can be paid.

**Question:** How will customers know if a bill has been paid?

**Answer:** Centrelink will advise customers when a bill has been paid. Bills will usually be paid within 48 hours of approval.

**Question:** How will NGOs provide services in rural and remote areas?

**Answer:** Centrelink will work with NGOs to provide services to rural and remote areas. Where face-to-face service is not available or practical, an NGO could provide

the service via telephone. The customer will still be required to provide, by mail or fax, all supporting documentation.

**Question: Will customers be able to access financial case management services from more than one NGO?**

**Answer:** In any one eight-week non-payment period, a customer will only be able to access financial case management services from one NGO. If a customer leaves the NGO they first commence with they may then be managed by a Centrelink specialist.

**Question: What if an NGO wishes to cease providing service to a customer part way through the eight-weeks?**

**Answer:** If there is a significant issue with a customer, which the NGO has tried to resolve but is unable to (e.g. due to inappropriate behaviour by the customer) a Centrelink specialist may take over the provision of financial case management.

#### **WILL NGOs BE TRAINED**

**Question: Will training be provided and when will this training occur?**

**Answer:** Once an NGO has successfully pre-qualified they will be offered training and supplied with support material designed to assist the NGO provide financial case management services.

**Question: Will all new NGO staff be provided with specific training?**

**Answer:** Centrelink will provide NGOs with a training package that can be used to train new employees. Centrelink will periodically provide face-to-face training to NGOs that provide financial case management services.

NGOs will be encouraged to call the centralised Centrelink team if they have any concerns or questions regarding financial case management.

#### **WHEN CAN I APPLY TO JOIN OR LEAVE THE REGISTER**

**Question: Can we still apply to join the register?**

**Answer:** Yes, there is no closing date for applications. NGOs are invited to apply to join the register at anytime.

**Question: What if we go onto the register but decide later that we no longer want to provide these services?**

**Answer:** An NGO can advise Centrelink at any time that they do not wish to continue to provide financial case management services. Centrelink will remove the NGO from the register as soon as possible after that time.

**Question:** How does an NGO decide the areas it wishes to cover?

**Answer:** In the application documentation NGOs are asked to identify the Centrelink Customer Service Centres (CSCs) they wish to provide a service to. This allows Centrelink to identify the NGOs that a customer can be referred to.

For example, a Centrelink customer at the Woden CSC, in the ACT, will be offered the services of any NGO that had identified the Woden CSC as an office it would provide a service to. Before nominating which CSCs an NGO will service, the NGO should consider whether a customer from the identified CSC could easily travel to their location.

Any questions relating to coverage should be directed to Centrelink on 1300 556 662.

**Question:** Where does the NGO provide the service?

**Answer:** The financial case management services provided by an NGO are to be delivered at the NGO's office. The service is not delivered at the Centrelink CSC.

**If you have any further questions or would like additional information please contact the Financial Case Management Team on 1300 556 662 or email [case.management@centrelink.gov.au](mailto:case.management@centrelink.gov.au)**