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Comments can be provided by **22 June 2010** to
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Welfare Payments Reform Branch
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Policy Outline 1 Vulnerable Welfare Payment Recipient Measure s123UGA(2)

Objective of the instrument

To specify the decision-making principles that a Centrelink Social Worker must consider in determining whether a person is a Vulnerable Welfare Payment Recipient.

Decision-making principles

The principles outlined below are to be considered by a Centrelink Social Worker to determine whether a person is a Vulnerable Welfare Payment Recipient.

1. The delegate must consider whether the person is experiencing an indicator of vulnerability (as set out below).
2. The delegate must consider whether the person is not meeting their priority needs and/or the priority needs of their children and/or other dependants, now or in the foreseeable future, as a result of experiencing an indicator of vulnerability.
3. The delegate must consider whether the indicator of vulnerability is of a type that could be assisted by income management.

Indicators of vulnerability

For the purposes of this instrument, a vulnerable person is a person who is experiencing one or more of the following indicators.

- Financial hardship. For the purposes of this instrument, a person is defined as experiencing financial hardship where they are unable to access or engage in activities that meet their priority needs and the priority needs of their children, partner and other dependants, due to a lack of financial resources. For the purposes of income management, priority needs are those defined in Section 123TH of the *Social Security Administration Act 1999* (Cth).
- Domestic and family violence, as defined in Section 1.1.D.235 of the Guide to the Social Security Act.
- Financial exploitation. Where a person is subject to undue pressure, harassment, abuse, deception or exploitation for resources by another person and/or people, including other family members and community members. This also includes a person subject to unauthorised debt practices by stores, businesses or sole traders, including, but not limited to, unlicensed credit providers or collectors.
- Failure to undertake reasonable self care. This may be due to factors including, but not limited to substance abuse, problem gambling, and/or mental health issues.
- People who are homeless or at risk of homelessness.

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Processes and procedures

A determination made under this measure will be in place for a maximum of 12 months, but may be shorter at the discretion of the Centrelink Social Worker. The Centrelink Social Worker will be required to review the decision at the completion of the 12 month period, or sooner at their discretion, and may assess that the person will no longer be subject to compulsory income management, or will continue, as set out in the decision-making principles.

If, following a review, the Centrelink Social Worker assesses that the person's circumstances have not changed they may decide to continue the person on income management.

The Centrelink Social Worker may make a decision based on information obtained from a face-to-face interview or, when a face-to-face interview is not possible, a telephone interview, or where neither is possible, through a file assessment. In circumstances where the Centrelink Social Worker has made a decision based on a file assessment, they must be confident that enough information has been obtained to support the decision.

A person who is subject to a determination under this measure can ask the Centrelink Social Worker to reconsider their circumstances during the period in which the determination is in force. A request for a reconsideration of personal circumstances cannot be made more than once every 90 days. However, this does not limit a person's access to Commonwealth review and appeal mechanisms.

In reconsidering a person's circumstances, and where the person is no longer experiencing an indicator of vulnerability, the Centrelink Social Worker must consider whether income management has contributed to the improvement of the individual's circumstances. The Centrelink Social Worker should then have regard to whether a decision to vary or revoke the determination to apply income management may result in recurrence of the vulnerability.

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Policy Outline 2 Parental exemptions - indicators of financial vulnerability s123UGD(5)

Objective of the instrument

Parents of school age children or younger, who may be subject to income management under the Disengaged Youth or Long-term Welfare Payment Recipient measures, may seek an exemption from income management by demonstrating that each of their dependent children are engaged in appropriate activities and the parent has had no indications of financial vulnerability over the preceding twelve month period.

This exemption applies to parents in the following categories:

- new category of person subject to income management – income support payment recipients aged under 25 years, in receipt of relevant payment for at least 13 weeks of the last 26 weeks (Disengaged Youth);
- new category of person subject to income management – income support payment recipients aged over 25 years, in receipt of relevant payment for more than 52 weeks of the last 104 weeks (Long-term Welfare Payment Recipients).

This policy advice is part one of a two part process for determining exemptions from compulsory income management for parents of a child, or children, of compulsory school age or under compulsory school age.

Part one of the exemption process requires a person with children of compulsory school age (that is, as stipulated by applicable state or territory law) or younger, to demonstrate that there have been no indications of financial vulnerability during the twelve-month period ending immediately before the test time. This is stipulated in the proposed legislation.

Part two of the exemption process requires a person with children of compulsory school age or younger to demonstrate that they are undertaking responsible parenting, by meeting attendance or participation requirements relating to education, health care and/or other activities.

To be assessed as eligible for an exemption, a person will need to meet the requirements under both part one and part two of the assessment categories. Part two will not be considered if part one is not satisfied.

To minimise potentially unnecessary collection of evidence by a person seeking an exemption, part one of the exemption assessment (the financial vulnerability component) should take place prior to part two (the responsible care of children component). Generally, it is expected that part one and part two will both take place as a single, seamless interview process with the Centrelink Customer Service Agent.

This policy advice relates to part one. It specifies the decision-making principles that the Centrelink Customer Service Agent must consider to determine whether there were indications of financial vulnerability for the person in the previous 12 months.

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Part two is covered in a separate policy advice (refer to policy advice 3).

Outcomes sought from the instrument

This category of exemption is intended to ensure that the new income management measures are targeted to support the most vulnerable and disengaged people, and to encourage parents receiving income support payments to undertake responsible care of children.

The principles outlined below are intended to build an overall picture of a person's financial circumstances. That picture should allow Centrelink Customer Service Advisor's to assess whether a person is able to meet their priority needs, and those of their family and whether they will be safe from financial exploitation if exempted from income management. Centrelink Customer Service Advisor's must have regard to the following principles in determining whether a person is financially vulnerable.

Decision-making principles

The principles for determining that there were no indications of financial vulnerability in relation to a person during the previous 12 months are:

- a person and their family's priority needs have been met;
- a person had stable payment patterns meeting priority needs from their income support and family assistance payments;
- a person had control over their money and was not subject to financial exploitation;
- a person did not regularly require urgent funds to pay for foreseeable costs, or did not frequently change their income support pay dates and consideration is given to the reason for seeking the urgent payment.

Definitions

For the purposes of this assessment:

- **Financial exploitation:** Where a person is subject to undue pressure, harassment, abuse, deception or exploitation for resources by another person and/or people, including other family members and community members. This also includes a person subject to unauthorised debt practices by stores, businesses or sole traders, including, but not limited to, unlicensed credit providers or collectors.
- **Priority needs:** for the purposes of income management, priority needs are those defined in section 123TH of the *Social Security (Administration) Act 1999* (Cth).

Indicators used to assess financial vulnerability

The Centrelink Customer Service Advisor would need to be satisfied that the person had, over the last twelve months, shown no signs of financial vulnerability, with regard to the principles set out below.

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Factor	Evidence	Discussion points with customer.
Financial exploitation.	<ul style="list-style-type: none"> • Password protected Centrelink record. • Deny Access Record. • Evidence of denied contact from third parties. • Evidence of financial exploitation. 	<ul style="list-style-type: none"> • Why does the customer have a password protected or a deny access record? • Has the issue been resolved? • Does the customer find it difficult to say no to some family members or others when asked for money? • Does the customer need to hide money or have secret money? • Is the customer having trouble meeting their priority needs or making their money last from one pay to the next because they are paying things for other people or giving other people their money? • Have third parties been contacting Centrelink regarding the customer? • Why have third parties been contacting Centrelink? Has this been at the request of the customer? • Was the customer aware that third parties had been contacting Centrelink?
Use of Centrepay.	<ul style="list-style-type: none"> • Current or previous Centrepay arrangements. • Length of time using Centrepay arrangements • Evidence of frequent changes to Centrepay - ons and offs. 	<ul style="list-style-type: none"> • Has the customer used Centrepay previously? • If Centrepay arrangements have been started and then stopped, what was the reason for this? • Has the customer enquired about Centrepay but found that the third party organisation is not registered? • Was the customer aware of Centrepay options? • If the customer has not used Centrepay was this because they were able to pay their bills on time without it?
Income management allocations.	<ul style="list-style-type: none"> • Are or were there regular allocations in place for a variety 	<ul style="list-style-type: none"> • Has the customer understood what income management is and how it works? • If expenses were regularly changed,

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	<p>of priority needs?</p> <ul style="list-style-type: none"> • How are/were the customers priority needs being met? 	<p>what was the reason for this?</p> <ul style="list-style-type: none"> • If the expenses were never changed, why not? • Was the customer meeting priority needs with their discretionary income? • Will the customer be able to manage their money to meet their priority needs without income management? • How does the customer intend to meet their priority needs without income management? • Does the customer intend to continue to pay for the things that were being paid for by income management or do they intend to stop paying for these things? If so, why?
<p>Money Management courses.</p>	<ul style="list-style-type: none"> • Grant of Matched Savings (Income Management) Scheme Payment. • Previous referrals coded in the referrals cluster. 	<ul style="list-style-type: none"> • Has the customer completed an approved money management course? • Did the customer develop a personal budget as a result of attending this course? • Did the customer stick to the budget or achieve any financial goals (purchase of large ticket items, saving money for a specific purpose etc) as a result of attending the course?
<p>Demonstrated budgeting and savings.</p>	<ul style="list-style-type: none"> • Evidence of budgeting activity. 	<ul style="list-style-type: none"> • Does the customer have a budget? • Does the customer have any financial goals and a plan for achieving them? • Has the customer been evicted for not paying rent in the last twelve months? If so, how did this come about? • Has the customer had a service or utility disconnected in the last twelve months? If so, how did this come about? • Has the customer used lay-by to purchase a large ticket item in the

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		<p>last 12 months?</p> <ul style="list-style-type: none"> • Does the customer have any regular payment set up outside of Centrepay or IM - such as direct credit instalment payment of utilities etc? • How does the customer plan to pay for large bills like car registration or winter gas/electricity bills? • Does the customer have a good idea about what all their expenses are and how much income they have each week/fortnight? • Does the customer have unpaid fines or significant debts?
<p>BasicsCard declined transactions.</p>	<ul style="list-style-type: none"> • Evidence of high number of declined transactions (incurred at the fault of the customer). 	<ul style="list-style-type: none"> • Why has the customer had a high number of declined transactions? • How does the customer typically plan to pay for groceries each week/fortnight? • Is money set aside or does the customer spend what's left on their card? • When the customer goes shopping, do they have a good idea about what they need and how much it's going to cost? • When the customer has insufficient funds to purchase all the things they want, how do they decide what to buy and what to put back (are essential food items being covered)?
<p>Replacement BasicsCards.</p>	<ul style="list-style-type: none"> • Evidence of frequent replacement BasicsCards. 	<ul style="list-style-type: none"> • What are the reasons why the customer has needed replacement BasicsCards? • Has the customer given their PIN to anyone else and had money taken from their account without their permission? • Does the customer use book-up and leave their card at the shop? • Do people take and use their card without their permission?

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Urgent Payments.	<ul style="list-style-type: none"> Urgent payment applications that have been granted or rejected in the last 12 months. 	<ul style="list-style-type: none"> Is there a pattern suggesting that the customer is applying for urgent payments for the same things each time - late rent, utility bills, public transport costs etc? Have the things that the customer has applied for the funds for been things that the customer could have foreseen and planned for? If the urgent payment applications have been rejected, what were the reasons?
Change of payday code.	<ul style="list-style-type: none"> Evidence of frequent payday code changes. 	<ul style="list-style-type: none"> What are the reasons for the payday code changes?
Labour force participation	<ul style="list-style-type: none"> Evidence of labour force participation. 	<ul style="list-style-type: none"> Has the customer engaged in the workforce at any time in the previous 12 months?

Processes and Procedures

A determination made under this exemption category will apply for 12 months, commencing immediately from the time the decision is made. The decision will be reassessed at the end of the 12 months, using the principles specified in the instrument.

The decision to exempt or not exempt a person under this category is subject to Commonwealth review and appeal mechanisms.

Where Centrelink becomes aware that a person's circumstances have changed substantially during the 12 month exemption period, it may be appropriate to refer the person to a Centrelink Social Worker.

Centrelink Customer Service Advisors are able to make an assessment and undertake a review by telephone. If documentary evidence is required (ie evidence of attendance at a money management course), it is the responsibility of the person requesting the exemption to provide this evidence to Centrelink.

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Policy Outline 3 Parental exemptions - parents with children of compulsory school age and under compulsory school age s123UGD(3) and s123UGD(2)

Objective of the instrument

Parents of school age children or younger, who may be subject to income management under the Disengaged Youth or Long-term Welfare Payment Recipient measures, may seek an exemption from income management by demonstrating that each of their dependent children are engaged in appropriate activities and the parent has had no indications of financial vulnerability over the preceding twelve month period.

This exemption applies to parents in the following categories:

- new category of person subject to income management – income support payment recipients aged under 25 years, in receipt of relevant payment for at least 13 weeks of the last 26 weeks (Disengaged Youth);
- new category of person subject to income management – income support payment recipients aged over 25 years, in receipt of relevant payment for more than 52 weeks of the last 104 weeks (Long-term Welfare Payment Recipients).

This policy advice is part two of a two part process for determining exemptions from compulsory income management for parents of a child, or children, of compulsory school age or under compulsory school age.

Part one of the exemption process requires a person with children of compulsory school age (that is, as stipulated by applicable state or territory law) or younger to demonstrate that there have been no indications of financial vulnerability during the twelve-month period ending immediately before the test time. This is stipulated in the proposed legislation.

Part two of the exemption process requires a person with children of compulsory school age or younger to demonstrate that they are undertaking responsible parenting, by meeting attendance or participation requirements relating to education, health care and/or other activities.

To be assessed as eligible for an exemption, a person will need to meet the requirements under both part one and part two of the assessment categories. Part two will not be considered if part one is not satisfied.

To minimise potentially unnecessary collection of evidence by a person seeking exemption, part one of the exemption assessment (the financial vulnerability component) should take place immediately prior to part two (the responsible care of children component). Generally, it is expected that part one and part two will both take place as a single, seamless interview process with the Centrelink Customer Service Advisor.

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This policy advice relates to part two. It specifies the decision-making principles that the Centrelink Customer Service Advisor must consider to determine whether appropriate activities have been met in relation to the care of children.

Part one is covered in a separate policy advice (refer to policy advice 2).

Outcomes sought from the instrument

This category of exemption is intended to ensure that the new income management measures are targeted to support the most vulnerable and disengaged people, and to encourage parents receiving income support payments to undertake responsible care of children.

Decision-making principles

As per the proposed legislation, the principles for determining an exemption are set out below.

In relation to each compulsory school age child, at the test time:

- enrolment at school; and
- no more than five unauthorised absences for each of the previous two school terms; or
- approval to provide home based schooling, in accordance with the relevant state or territory legislation; or
- participation in an alternative activity, as set out in a legislative instrument.

In relation to each child under compulsory school age:

- the person or the child is participating in the required number and kind of activities, as set out in a legislative instrument. These activities may relate to a child's intellectual, physical or social development.

In both cases, the person must have also demonstrated that there were no indicators of financial vulnerability during the 12 month period ending immediately before the test time, as set out in legislative instrument – see Policy Outline 2 for details.

School age children

It is expected that most parents would need to provide evidence of attendance at school, or of home schooling, and that the provision of evidence of other activities would be unusual.

School attendance: Evidence of attendance at school would be taken from the child's school report which, in the Northern Territory, includes the number of explained and unexplained absences. The report or reports would need to identify the total number of unauthorised absences in (at least) the previous two school terms. The school report would be considered definitive – parents would not be able to provide evidence to Centrelink that the school had wrongly reported their child's attendance. If the parent felt that the school had misrepresented their child's attendance, they would be advised to follow this up with the school, and seek to have an amended report issued or a letter from the school which corrects the information.

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Home schooling: Evidence of home schooling for the NT will be the written consent letters provided by the NT Department of Education, which are valid for twelve months. Approval to provide home schooling from the NT Department of Education is contingent on and, therefore, provides evidence of, satisfactory progress of the child in the preceding year. An application for exemption can be granted at any stage of that twelve month period and would be reviewed at the end of twelve months.

Special circumstances for non-enrolment and attendance

In the circumstances specified below, the delegate may consider the following activities as acceptable alternatives from the regular enrolment and attendance criteria.

The activities are:

- sustained participation in alternative activities to regular schooling, including youth at risk activities, activities set out in a foster care plan or a case management plan - sustained participation, where possible, should align with the requirement to have no more than 5 unauthorised absences in the previous 2 school terms, or;
- in cases where severe illness or disability prevents the child from regularly attending school, evidence from a registered healthcare professional that:
 - the disability or illness prevented the child from regularly attending school over a specified period; and
 - the child received treatment for the specific disability or illness that caused the child's poor school attendance.

Discretion in cases of non-attendance

In the case of foster care, a foster parent or carer who has taken over care of a child within the previous six months should not be held responsible for attendance patterns of a child before the transfer of care. School attendance should be considered only from the time the child commences care with the foster parent or carer.

Children under school age

The new scheme intends to encourage parents of young children to engage with health and early education support services for themselves and their children. It is proposed that the activities specified in this instrument include the following.

Group 1: HEALTH

- Age appropriate level of immunisation, as defined by the Australian Childhood Immunisation Register, or:
 - a child has a medical reason not to have a particular vaccination; or
 - a child has had a disease and has a natural immunity; or
 - a particular vaccine is unavailable; or
 - a child is on a 'catch up' vaccination schedule for a reason; or
 - a formal conscientious objection has been registered if a parent has a personal, philosophical, religious or medical belief that their child should not be immunised.

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- Regular child health checks as defined by the National Health and Medical Research Council of Australia (at: 1-4 weeks (at the first home visit), 6 weeks, 6-9 months, 18 months, 24 and 30 months). This includes visits to health clinics, maternal and child health services, doctors and specialists. Some discretion in relation to timing of health checks may be appropriate in locations where services are difficult to access or unavailable.
- Participation in a program of speech therapy, occupational therapy, physical therapy or other approved therapy, as evidenced by documentation from an allied health professional (participation in this case means reasonable participation, as assessed by the allied health professional).

Group 2: ENGAGEMENT

- Child is regularly participating in approved child care. Approved child care is child care that has been approved by the Government for Child Care Benefit. The following are approved:
 - long day care;
 - family day care;
 - outside school hours care (before and after school and vacation);
 - occasional care;
 - in home care.
- Children under 48 months are engaged in a structured socialisation activity, including kinder gym, playgroup or preschool.
- Child is engaged in structured, age appropriate social, learning or physical activities. This may be determined in consultation with a Centrelink Indigenous Service Officer or Multicultural Service Officer, depending on the social context;
- Child is enrolled in, and regularly attending, school (this is intended to cover children who are still under compulsory school age, but are enrolled in/attending school).

Number and type of activities required

There is no requirement under law for children under school age to attend preschool, child care or other early learning activities, and many children do not attend formal activities while still infants. While it is not compulsory to send children to school, preschool or child care, there is evidence that children benefit from social interactions prior to formal schooling and associated parental engagement.

Increased attendance by vulnerable children in quality early childhood education and care is associated with increased participation in education, positive social behaviours in school and later life, higher educational achievement and, often, higher returns on investment than remedial interventions later in life.

Medical check-ups are also not compulsory, but are highly recommended and can be considered an indicator of responsible, engaged parenting.

The purpose of requiring engagement in certain activities is not to enforce mandatory requirements but, rather, to promote additional activities and efforts for children.

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The Department's view is that an appropriate set of requirements for parents seeking exemption from income management is as follows:

- for children aged under 36 months, at least two activities from Group 1;
- for children between 36 months and 48 months of age, at least two activities from Group 1 and evidence that the child or parent has, where services are available, engaged in an activity listed in Group 2;
- for children aged 48 months and over (that are below compulsory school age), in general, two activities from Group 1 and regular participation in one activity from Group 2.

Attendance at approved child care is required to be for a minimum of 15 hours for at least 13 weeks over a 26 week period.

However, in some cases, such as a child under compulsory school age with significant disabilities, three activities from Group 1 would be appropriate, due to the difficulty of finding appropriately supported social activities. Evidence of significant disabilities would need to be provided to Centrelink in the form of a doctor's certificate.

Provision of evidence of activities

There is a range of ways that evidence of early childhood and parenting activities could be collected and provided to Centrelink.

- In the first instance, the customer is expected obtain evidence of their child's participation, which Centrelink has discretion to accept evidence as suitable or not. If a customer cannot obtain evidence, as a last resort, Centrelink will take other steps to confirm that requirements have been met, such as contacting the providers by phone.
- Evidence of immunisations can be provided using current methods that are used to confirm Maternity Immunisation Allowance and Child Care Benefit.

Evidence of health checks, or visits to medical providers, could be provided by:

- a doctor's certificate with the child's name and the date of the appointment; or
- evidence from the Centrelink database about a recent doctor's visit, in the context of a claim for Carer Allowance or Carer Payment; or
- a copy of the customer's Medicare record, showing that the child had attended a medical appointment. Medicare customers are already able to request this information from Medicare.

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Policy Outline 4 Class Exemption – Special Benefit s123UGB(2)

Objective of the instrument

Special Benefit is a payment included under the Disengaged Youth and Long-term Welfare Payment Recipient measures of the new model of income management.

Certain Special Benefit recipients have the same characteristics as customers who will not be subject to new income management. In most cases, a Special Benefit recipient does not meet residency requirements that would otherwise qualify them for Age Pension, Disability Support Pension or Carer Payment.

The policy intent of the new model of income management is that income management should not be applied as a category for people receiving Age Pension, Disability Support Pension or Carer Payment. To ensure this intent is consistent for all customers, Special Benefit customers should be exempt if they exhibit the same characteristics as customer groups that are not subject to category income management.

Special Benefit is divided into a number of operational categories to mirror different customer groups and payments. From a legislative perspective, there is no distinction between the operational categories of Special Benefit.

Decision-making principles

The overarching principle used for determining which Special Benefit customers should be exempt from income management is:

Groups of Special Benefit customers should be exempt if they do not have the same characteristics as customer groups that are subject to category income management.

The most appropriate approach to meet this principle is to exempt those Special Benefit recipients who meet all of the following criteria:

- do not have an activity tested Special Benefit payment;
- are 16 years of age or over; and
- are not the principal carer of a child under 6 years of age.

This ensures that Special Benefit customers who are exempt are those who would otherwise be receiving Age Pension, Disability Support Pension, or Carer Payment.

This will also ensure that Special Benefit customers who are under 16 years and considered vulnerable remain subject to income management.

Special Benefit recipients who require contact with a Centrelink Social Worker may be assessed as vulnerable by the Centrelink Social Worker and referred to income management. They will be subject to income management under the Vulnerability Measure, rather than the Disengaged Youth or Long-term Welfare Payment Recipient measures.

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There are currently only a few customers receiving Special Benefit in the NT. This approach should adequately ensure Special Benefit is appropriately included in income management. It will also be closely monitored and evaluated, to ensure that the overarching principle is met.

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Policy Outline 5

Qualification for Matched Savings Scheme (Income Management) Payment; and Approved money management course s1061WG(3)

Objective of the instrument

Under the Matched Savings Payment (MSP) a person will be eligible to receive \$1 in matched savings for every \$1 saved, up to \$500, provided they have completed an approved money management course. The definition of an approved money management course is outlined in policy outline 6b.

This payment aims to encourage people subject to income management (excluding Voluntary Income Management (VIM) and Cape York income management) to develop a savings pattern and build functional financial capability, and achieve a savings goal.

Under the MSP people will receive:

- financial education training (approved money management course);
- \$1 in “matched savings” for every \$1 saved, up to \$500.

The MSP is administered by Centrelink.

The matched savings payment for people who are subject to income management is an incentive to:

- engage in an approved money management course to build financial management skills and capabilities;
- save money to buy goods or services which are of benefit to the person, their partner or dependents; and
- use the skills they have developed in an approved money management course.

Decision-making principles

A person must:

- be subject to income management (excluding VIM, and Cape York income management);
- not have received an MSP payment previously;
- have completed an approved money management course;
- have maintained a pattern of saving;
- have a qualifying savings amount.

How it works

- Each person is asked by Centrelink if they want to participate in MSP.
- The person is referred by Centrelink to a provider to undertake an approved money management course.

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- When the person has completed the approved money management course, they will be given a certificate of completion.
- Financial management support services can help a person set up a dedicated savings account.
- The qualifying savings period would start on the date the person commences the approved money management course.
- The final 6 weeks of the qualifying savings period may not constitute more than 50 percent of the person's total qualifying savings amount.
- The person will produce evidence of their savings pattern and savings amount over the qualifying savings period (at least 13 weeks).
- Once a person has met all requirements to be eligible for the MSP, Centrelink will provide the agreed matched amount to the client's income management account as a lump sum payment. Usual income management policy arrangements will apply.

Savings amount

The Centrelink Customer Service Agent will determine if the person's saving amount, at the end of the qualifying savings period (at least 13 weeks), is greater than the person's savings amount at the beginning of the qualifying savings period.

There is no maximum or minimum number of savings deposits or withdrawals over the qualifying savings period.

There is no maximum increase in the person's balance (savings will only be matched to \$500).

Regular or bonus interest accrued is included in determining the person's savings amount. Bank fees and charges are included in determining the person's savings amount.

Savings Pattern

There is a savings amount at the end of the qualifying savings period that is greater than the savings amount at the beginning of the period.

The final six weeks of savings cannot constitute more than half of the person's total qualifying savings amount

Savings period

The qualifying savings period is at least 13 weeks beginning after the person commenced the approved course.

Bank accounts

- Savings must be held in a bank account.
- Savings can not be assessed across multiple accounts.
- There can be only one MSP claim per bank account.
- Bank accounts must be in the person's name.

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Bank account statements

- The person will be required to provide evidence of their savings in the form of a formal financial institution document (eg bank statement, passbook statement).

Approved money management courses

An approved money management course is:

- one of two eligibility requirements for compulsory income managed people to qualify for the matched savings payment;
- a tool to help people build their money management skills, so they can develop a savings habit; and
- a tool to help change behaviour, leading to better financial outcomes.

The definition of an approved money management course is any course, identified by FaHCSIA as containing the following characteristics based on the Financial Literacy Competency Standards from the Financial Services Training Package (FNS04):

- Develop and use a personal budget (FNSFLIT201B at April 2010)
 - Budgeting
 - Money Planning (money decisions and prioritising)
 - Saving and spending (spending leaks, shopping tips, needs verses wants)
- Develop and use a savings plan (FNSFLIT202B at April 2010)
 - Goal setting
 - Introduction to banking (opening accounts, account types, different ways to pay, fees)
- Develop understanding of debt and consumer credit (FNSFLIT203B at April 2010)
 - Credit and credit cards
 - What is debt?
 - The cost of credit
 - Money Loans
 - Rights and responsibilities

Delivery requirements

- An approved money management course must:
 - be made available free of charge to participants;
 - be tailored to the needs and situation of participants, and
 - provide participants with a signed original document at the completion of the course which identifies: the name of the participant; the name of the course; the name of the organisation delivering the course; certification that each of the three topics from the Financial Services Package have been completed, and the date of commencement and completion of the course.

EXPOSURE DRAFT

FaHCSIA will provide a list of all approved money management courses to Centrelink. Approved money management courses will be given an identification code that will be displayed on a completion certificate.

Approved money management course evidence

A person will be provided with a signed original document at the completion of the course which identifies:

- the full name of the participant;
- the name of the course;
- the name and location of the organisation delivering the course;
- certification that each of the three topics from the Financial Services Package have been completed;
- the date of commencement and completion of the course.

EXPOSURE DRAFT