Senate Standing Committee on Education Employment and Workplace Relations Inquiry into the adequacy of Newstart and other allowance payments and other matters

The Committee asked on 1 November 2012.

Question 1

How does emergency relief operate when people are not on an allowance but present to Centrelink in dire, immediate need of assistance? What form does this assistance take - are they given money, or vouchers for food-related or other basic needs? How is eligibility for emergency assistance decided? Is the individual expected to reimburse Centrelink, and if so, when?

Answer

The Australian Government provides a range of assistance available to Australians experiencing financial hardship, from one-off cash payments to material assistance and budgeting advice.

If a person presents to the Department of Human Services in financial hardship a Customer Service Officer will ask the person a series of questions to establish the nature of the customer's circumstances, and then determine which (if any) Department of Human Services administered payment or service would be most appropriate for their situation. Relevant claim forms will be provided to address the person's circumstances if it is likely that the person can test their eligibility for ongoing support.

One of the payments available to new and existing Centrelink clients in severe financial hardship is the Crisis Payment. This is a one-off, non-taxable payment and several criteria must be met in order to receive it. Where a Centrelink customer is not eligible for a Crisis Payment, the Department of Human Services can offer support services through its specialists. This can include the provision of counselling and support; referrals to agencies to meet immediate and longer-term needs; and advice about alternative income support payments and assistance in the transition to other payments when the caring role has ceased.

If a person presents to the Department of Human Services in financial hardship and they are not in receipt of payments and they are not eligible to receive any payments, often the most appropriate action is to refer the customer to a welfare agency for further assistance. This referral can be made by any Customer Service Officer working within the Centrelink master program.

If the appropriate assistance is non-financial or only available from an external agency, a referral to the specialist or service will be offered. The Department of Human Services maintains a national database that contains details of local, state and national community groups, welfare agencies and government departments and the services they provide.

As payments and services are eligibility tested prior to their provision there is no requirement for them to be repaid unless, in the case of ongoing payments, it is subsequently found that the individual has misrepresented those circumstances which allowed them to qualify.

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) administers the Emergency Relief service strategy. This strategy targets people who:

- are experiencing personal financial difficulties due to circumstances such as unemployment, sickness, credit over-commitment, and family breakdown; and
- are disadvantaged through some other form of financial exclusion.

Approximately 700 organisations are funded by FaHCSIA to provide Emergency Relief assistance to individuals and families in immediate financial crisis through approximately 1300 outlets nationally. This assistance is primarily in the form of:

- purchase vouchers of a fixed value (e.g. for food, transport or chemist vouchers);
- assistance with rent/accommodation;
- part-payment of utility account/s;
- material assistance such as food parcels or clothing;
- budgeting assistance; and/or
- appropriate referrals to other services that help to address underlying causes of financial crisis.

Individuals experiencing financial crisis can access Emergency Relief through a range of gateways including other programs at both the State and Commonwealth level; Centrelink; utility companies; community organisations; and self-referrals.

Question 2

Can you give us some practical examples of how the Employment Pathway Fund operates? For example, in relation to clothing and presentation, if funds are released to assist a person to obtain a haircut and work-appropriate clothing, is the job seeker provided with money, a voucher, or accompanied to the store by a JSA officer?

Answer

The Employment Pathway Fund (EPF) is a reimbursement model. This means goods and services are purchased by the Job Services Australia (JSA) provider which then claims eligible purchases from the EPF. It is the responsibility of the JSA provider to determine how it will assist eligible job seekers on their caseload, including utilising the EPF.

The purchase of goods and services made by a JSA provider is their own commercial arrangement. Consequently, arrangements with suppliers will differ between JSAs. For example, a JSA may have an account with a local business, such as a clothing or hardware store, which is paid at the end of each month. To make purchases on account, an employment consultant may attend the store, call ahead before the job seeker attends the store or provide written instructions for the job seeker to take with them which indicates the type of goods that may be purchased and how much can be spent.