



Australian Government
Department of Social Services



Income Management Deductions Schedule 4: for the provision of priority needs services

Policy Framework

Definitions

| Term | Definition |
|--|---|
| Approval Letter | means a letter from the Department of Human Services (Human Services) to the Applicant notifying them that Human Services accepts their Business Application. |
| Business Application | means a request by the Applicant for Human Services to provide particular services to the Applicant, made in accordance with the form and procedure for completing that Business Application, published by Human Services at www.humanservices.gov.au from time to time |
| Department of Human Services Business Terms and Conditions | sets out the basis by which the Participant agrees with Human Services to participate in Income Management via a Schedule 4 or 5 income management contract. |
| IM Deduction Contract | <p>the relationship between the Parties as constituted by the following documents, as varied from time to time in accordance with the T&Cs and the relevant Schedules:</p> <p>the Department of Human Services Business Terms and Conditions (T&Cs);</p> <p>Schedule 4 or Schedule 5 (as applicable) and any other Schedules referred to in the Approval Letter;</p> <p>any agreed Special Conditions;</p> <p>any further terms set out in the Approval Letter; and</p> <p>any representations, warranties and other information contained in a Business Application.</p> |
| Declared Customer | means a mutual customer of the Participant and Human Services who receives a payment and is subject to the income management regime under the Social Security (Administration) Act 1999 (Cth). |
| Declared Customer Account | means an account held by the Participant for the benefit of a Declared Customer for the purpose of providing services and associated goods to meet the Priority Needs of the Declared Customer or any Customer Dependents |
| Excluded Goods and Service | means gambling services and any other services which are specified in a legislative instrument made by the responsible Minister for the purposes of section 123TI (2)(b) of the Social Security (Administration) Act 1999 (Cth). |

| Term | Definition |
|----------------------------------|--|
| Priority Services | has the same meaning as “priority needs” in section 123TH of the Social Security (Administration) Act 1999 or as defined by legislative amendment made by the responsible Minister. A list of Priority Services for the purposes of a Schedule 4 IM contract can be found in Glossary 1. |
| Participant | means the Applicant described in the Business Application that has been accepted by Human Services through the issue of an Approval Letter. |
| Schedule 4 IM Deduction Contract | means a IM deduction Contract set up to allow a registered third party organisation to discharge expenditure of an income managed person for priority services already supplied, in accordance with section 123YG of the Social Security (Administration) Act 1999 (Cth) or for the income managed person’s nominee under section 123YH. |
| Special Conditions | means any additional terms, conditions or requirements agreed by Human Services and a Participant, other than in the Department of Human Services Business Terms and Conditions and/or Schedule 4, which will (to the extent of any inconsistency) override any other provision of the Contract. |

1. Purpose of this framework

The Income Management Deductions Schedule 4 Policy Framework (Framework) outlines the framework for organisations wishing to enter into a Schedule 4 IM Deduction Contract.

The purpose of the Framework is to provide information to Applicants about the objectives of Income Management and the Schedule 4 IM Deduction Contract.

The Framework does not form part of the Schedule 4 IM Deduction Contract. To the extent of any inconsistency between a provision of this Framework and a provision of the Schedule 4 IM Deduction Contract, the provision of the Schedule 4 IM Deduction Contract takes precedence.

Information about the service delivery and compliance aspects of a Schedule 4 IM Deduction Contract is set out in the Income Management Deductions Service Delivery and Compliance Guidelines. These guidelines are administered by the Australian Government Department of Human Services (Human Services).

2. Payment of income managed funds to Participants

Legislation governing methods of payment to Participants is outlined in section 123YG of the *Social Security (Administration) Act 1999* (SSAA).

Section 123YG allows Human Services to make payments out of a person's Income Management account to a Participant in exchange for services that the person has purchased. The person's Income Management account is debited by an amount equal to the payment made to the Participant.

The person (known as the Declared Customer in the Schedule 4 IM Deduction Contract) will authorise Human Services to deduct an amount from their income management account to be paid to the Participant on the person's next available Payment date. The Participant must credit the full amount of the payment to the person's 'Declared Customer Account' in payment (whole or part) of amounts owed by the person for services provided to the person or their dependents by the Participant. The services supplied must not be Excluded Services as listed in Glossary (2).

3 Objectives of Income Management and Schedule 4 IM Deduction Contracts

The objectives of Income Management are:

- to reduce immediate hardship and deprivation by ensuring that the whole or part of certain welfare payments is directed to meeting the priority needs welfare payment recipients and their children, partner and any other dependents.
- to ensure that recipients of certain welfare payments are given support in budgeting to meet priority needs.
- to reduce the amount of certain welfare payments available to be spent on alcoholic beverages, gambling, tobacco products and pornographic material.
- to reduce the likelihood that recipients of welfare payments will be subject to harassment and abuse in relation to their welfare payments.
- to encourage socially responsible behaviour, including in relation to the care and education of children.
- to improve the level of protection afforded to welfare recipients and their families

Schedule 4 IM Deduction Contracts support both Declared Customers and Participants in the application of income management by providing access to income management funds.

The primary outcome is to:

- provide people who are on income management with a simple mechanism to pay for Priority Services that they wish to purchase using their income managed funds. (See Glossary (1) for Priority Services)

The secondary outcome is to:

- ensure that Participants receive regular payment for the provision of their services from people on Income Management.

4. Participation in Income Management Schedule 4

Schedule 4 contains the conditions for Participants who provide services such as rent, electricity, water and medical services in order to meet the priority needs of income managed customers. The type of organisations that DHS may approve to enter into a Schedule 4 IM Deduction Contract includes:

- State Government Housing Authorities;
- Child care providers;
- Councils and Shires;
- Meals on wheels;
- Medical services;
- Private landlords;
- School meals program providers; and
- Utility providers.

Glossary

(1) Schedule 4 Priority Services

Following is the list of Priority Services for the purposes of approval for Participants in Schedule 4. The list is derived from section 123TH of the SSAA which sets out the priority needs for a person subject to Income Management. It includes services that provide the following:

- food;
- non-alcoholic beverages;
- housing, including:
 - rent;
 - home loan repayments;
 - repairs; and
 - maintenance;
- household utilities including:
 - electricity;
 - gas;
 - water;
 - sewerage
 - garbage collection; and
 - fixed line telephone;
- facilitate the collection of rates and land tax;
- health services; including:
 - medical, nursing, dental or other health services;
 - pharmacy items;
 - the supply, alteration or repair of artificial teeth;
 - the supply, alteration or repair of an artificial limb (or part of a limb), artificial eye or hearing aid;
 - the testing of eyes;
 - the prescribing of spectacles or contact lenses;
 - the supply of spectacles or contact lenses;
 - the management of a disability; and
- child care and development;
- education and training;
- short term crisis or emergency residential accommodation.

(2) Schedule 4 Excluded Goods and Services

The following services are Excluded Goods and Services for the purposes of Schedule 4:

Excluded goods and services

Each of the following good and services is an excluded good or service for this purpose:

- gambling;
- a service specified in a legislative instrument made by the Minister for the purposes of paragraph 123TI (2)(b) of the *Social Security (Administration) Act 1999*.