



# Encouraging lawful behaviour of income support recipients

## 2018 Budget

The Government will work with states and territories to put in place a process to encourage people on welfare to clear fines and outstanding arrest warrants.

### What was announced in the 2018 Budget?

In the 2018-19 Budget, the Australian Government announced its intention to work together with state and territory governments to encourage Australians to meet their obligations under state and territory laws.

These measures are part of a suite of Budget initiatives to strengthen mutual obligation requirements for people receiving welfare payments.

From 1 March 2019, the Government intends to introduce new measures that encourage welfare recipients defaulting on their court-imposed fines to pay their debt, and for welfare recipients to clear outstanding arrest warrants for serious criminal offences, or face payment suspension.

The Australian community expects people who seek help from the welfare system to meet their mutual obligations and abide by the law.

### Court-imposed fines

Defaulting on court-imposed fines has serious consequences that make it harder for someone to find and maintain a job, including suspension of their driver's licence, vehicle immobilisation and incarceration.

From 1 March 2019, people receiving welfare payments with outstanding court-imposed fines will be encouraged to make repayment arrangements via Centrepay.

If they do not voluntarily enter a repayment arrangement, they will be contacted by Centrelink and encouraged to enter a repayment arrangement with the relevant state and territory government. If they fail to enter an arrangement, compulsory deductions will be taken from their welfare payments to pay for their fines.

People who are repaying debts to the Commonwealth, such as Centrelink overpayments or tax debts, will not be affected by this measure.

### Arrest warrants

From 1 March 2019, people receiving welfare payments with outstanding arrest warrants for indictable criminal offences will have their payment suspended or reduced by half if they have dependent children.

If they clear the arrest warrant within four weeks, their payment will be reinstated from the date the warrant is cleared. If they do not clear the arrest warrant within this time, their payment will be cancelled.

From 1 March 2019, people making a new claim, or transferring from one payment to another, will be required to include information about any outstanding arrest warrants on their claim form and agree to police checks. They will need to clear the warrant within seven days or their claim for payment will be rejected.

People on Farm Household Allowance or Department of Veterans' Affairs payments will not be affected.

## Key facts

The Australian Government will work closely with state and territory governments to determine the feasibility of the measure. This includes developing a framework for identifying welfare recipients with outstanding arrest warrants or court-imposed fines, and the subsequent action.

Currently, state and territory governments invest significant resources to recover debts and face lengthy delays in clearing outstanding arrest warrants, particularly when the individual involved crosses state jurisdictions.

These measures will assist states and territories with clearance of arrest warrants and enforcement of fines, while preventing the consequences of fine defaulting, which can cause financial stress and impact a person's ability to find and maintain a job.

## More information

For more information about this measure and other Department of Social Services' Budget measures, visit the [Department of Social Services](https://www.dss.gov.au) website ([dss.gov.au](https://www.dss.gov.au)).

For information about the 2018 Budget, visit the [Australian Government Budget](https://www.budget.gov.au) website ([budget.gov.au](https://www.budget.gov.au)).