

# Welfare Review Submission Template

## Pillar One: Simpler and sustainable income support system

Changes to Australia's income support system over time have resulted in unintended complexities, inconsistencies and disincentives for some people to work. Achieving a simpler and sustainable income support system should involve a simpler architecture, a fair rate structure, a common approach to adjusting payments, a new approach to support for families with children and young people, effective rent assistance, and rewards for work and targeting assistance to need.

### Simpler architecture

Page 42 to 52 of the Interim Report considers the need for a simpler architecture for the income support system. The Reference Group proposes four primary payment types and fewer supplements. The primary payment types proposed are: a Disability Support Pension for people with a permanent impairment and no capacity to work; a tiered working age payment for people with some capacity to work now or in the future, including independent young people; a child payment for dependent children and young people; and an age pension for people above the age at which they are generally expected to work.

In shaping the future directions for a simpler architecture the Reference Group would like feedback on:

- What is the preferred architecture of the payment system?
- Should people with a permanent impairment and no capacity to work receive a separate payment from other working age recipients?
- How could supplements be simplified? What should they be?
- What are the incremental steps to a new architecture?

PEOPLE WITH PERMANENT DISABILITIES BEFORE THE RETIREMENT AGE OF 65 CURRENTLY HAVE RECEIVED THE SAME RATE OF PENSION BENEFITS. THE ANOMALY WITH THAT HAS BEEN THAT PEOPLE OF RETIREMENT AGE HAVE HAD A FULL WORKING LIFE AND HAVE HAD THE BENEFITS OF SAVING FOR RETIREMENT AND PAYING OFF A HOME AND HAVE PRESUMABLY HAD NO PROBLEM OBTAINING FINANCE THROUGH MORTGAGES TO PUT THE ROOF OVER THEIR HEAD AND HAVE A NEST EGG FOR RETIREMENT. PEOPLE PUT OUT OF WORKING LIFE BECAUSE OF UNEXPECTED DISABILITY DO NOT HAVE THESE OPTIONS. THESE OPTIONS ARE CANCELLED OUT BECAUSE OF THEIR DISABILITY AND THEIR FUTURE IS VERY FINANCIALLY CHALLENGED AND VERY BLEAK TO SAY THE LEAST. THERE IS NO OPPORTUNITY TO PROVIDE FOR THE FUTURE IN ANY WAY WHATSOEVER BECAUSE FOR ONE REASON THE DSP BENEFIT DOES NOT HAVE A MORTGAGE ASSISTANCE BENEFIT TO GO WITH IT, AS OPPOSED TO RENT ASSISTANCE. THE LENDING INSTITUTIONS DO NOT ALLOW FOR LOW INCOME BENEFIT LOANS. THERE IS NO SUPERANNUATION CATEGORY TO GO WITH A DSP. SELLING OFF YOUR HOME AND LOSING YOUR HEALTH AND WORK CAPACITY IS DEVASTATING FINANCIALLY, EMOTIONALLY, PSYCHOLOGICALLY AND SOCIALLY AS OTHERS IN SOCIETY JUDGE YOU BECAUSE OF YOUR HEALTH AND FINANCIAL IMPAIRMENTS, THEREFORE YOUR LIFE HAS GONE DOWN THE DRAIN WITH VERY LITTLE HOPE FOR A QUALITY OF LIFE. YES PEOPLE WITH A PERMANENT IMPAIRMENT SHOULD RECEIVE A SEPARATE CATEGORY OF PENSION/DSP PAYMENT AS THE TWO CATEGORIES ARE NOT COMPARABLE. SOMETIMES IT WOULD BE EASIER TO BE DEAD THAN TO HAVE SURVIVED BRAIN SURGERY FROM HAVING A BRAIN TUMOUR AND TRYING TO SURVIVE IN THE CURRENT SADLY TRAGIC WORLD THAT IT HAS BECOME. AND CURRENTLY I AM TRULY GRATEFUL TO RECEIVE THE DSP PAYMENT WHILE I GO DOWN THE DRAIN.

### Fair rate structure

Page 55 to 60 of the Interim Report considers changes that could be considered to rates of payment for different groups. In shaping the future directions for a fairer rate structure the Reference Group would like feedback on:

- How should rates be set, taking into account circumstances such as age, capacity to work, single/couple status, living arrangements and/or parental responsibilities?

Note: The page numbers refer to pages in the PDF version of the Interim Report.

