

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?

Opening statement:

The current system is complex with additional supplements and once off payments. However, complexity in itself is not a *green light* to reduce payments. Once off payments, supplements and allowances have become a substitute for a recognised inadequacy within the current support system and to reduce them without responding to this in adequacy would produce harm. For example to ease the cost pressures for education, a *school kids bonus* was instituted, an unwillingness to increase Newstart, while noting its inadequacy resulted in an income support bonus. Furthermore, those once off payments provide capacity to meet cost that are too large for the weekly budget such as replacement of a household item, car registration and school fees.

Struggling families cobbled together every allowance, supplement and payment. They do this because the current support system does not provide the means to access the 'basics'.

Recommendation:

1. An income support system needs a universal payment that quarantines Australians and in particular Australian children from poverty. We note that poverty is the greatest impairment to participation and a future predictor of a child's health and well-being.
2. A universal payment with additional but targeted supplements such as a supplement for sole parents, for people who have additional expenses associated with their disability and for those who have no work capacity.
3. An incremental step would commence with those who receive a 'single' payment. We note that the scale of economy makes *singles* more financially vulnerable as witnessed in the findings of Harmer review.

Fair rate

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?

Despite having access to the Henderson poverty line since 1970`s we have abrogated our responsibility in instituting national targets or an antipoverty plan. Australia has recognised experts who understand poverty, its quantifiable measurement, the qualitative lived impact of deprivation and the unrecognised cost to the Australian community.

1. A universal payment that ensures that all recipients are quarantined from poverty.
2. Additional supplements such as a supplement for sole parents, for people who have additional expenses associated with their disability and for those who have no work capacity.
3. Annual indexation arrangements that reflect the reality of cost pressures (beyond CPI)
4. Family assistance is primarily targeted to low and middle income families (sliding scale)
5. Family assistance to provide capacity to support children who have substantial extra parenting needs. We note a gap between children who have these needs and families who qualify for a carer's allowance.

We make these recommendations knowing that the family assistance has been eroded for some population groups (those with the greatest financial need) while expanded for others. The review should realign family assistance with a stated purpose underpinned by national targets to eliminate child poverty. Similar to what occurred in the late 1980s when there was a commitment to reduce child poverty.

Common approach to adjusting payments

Page 60 to 64 of the Interim Report considers a common approach to adjusting payments to ensure a more coherent social support system over time. In shaping the future directions for a common approach to maintaining adequacy the Reference Group would like feedback on:

- What might be the basis for a common approach to adjusting payments for changes in costs of living and community living standards?

1. An independent review that ensures that the income support / family assistance quarantines Australians and Australian children from poverty.
2. Annual indexation arrangements that reflect the reality of cost pressures (beyond CPI)

Support for families with children and young people

Page 65 to 68 of the Interim Report considers how the payments could be changed to improve support to families with children and young people. In shaping the future directions for support for families with children and young people the Reference Group would like feedback on:

- How can we better support families with the costs of children and young people to ensure they complete their education and transition to work?
- In what circumstances should young people be able to access income support in their own right?

This review has an opportunity to make a significant difference to the lives of our children and young people. NCSMC would argue that this is the greatest investment that a country can undertake.

In order for children to reach their full potential; participate in education opportunities, feel a sense of belonging and positive identity, the education experience must not be through a lens of 'missing out'. The foundation to achieve this commences with;

1. An adequate income support and family assistance which quarantine from poverty. Australia can *afford* to ensure that every child has the basics such as a roof over their head, food on the table, access to health, up-to-date school books, access to internet, adequate heating and cooling and a chance to participate in their school and community such as playing sport. Without this foundation we risk children being marginalised, falling through the system, stunted and disengaged. As a community we risk missing out on their skills and talents.
2. Young adults who cannot remain living in their family home should have access to income in their own right.
3. Young dependent adults who remain living in their family home could have access to an income support at age 18.

Effective rent assistance

Page 68 to 71 of the Interim Report considers Rent Assistance and suggests a review to determine the appropriate level of assistance and the best mechanism for adjusting assistance levels over time. In shaping the future directions for Rent Assistance the Reference Group would like feedback on:

- How could Rent Assistance be better targeted to meet the needs of people in public or private rental housing?

There is a quantifiable and recognised calculation which indicates when families are contending with 'housing stress'. Rental assistance needs to note and eliminate 'housing stress' which can lead to housing insecurity and homelessness.

This may require a two-tiered system; (a) rental assistance plus an additional amount for (b) 'housing stress'. We

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note that people who are on income support understand that their greatest cost pressure is their *house* and they make every effort to live in the most affordable dwelling. The lack of affordable housing, a tight private rental market and insecure employment are contributing factors beyond the tenant's control.

Rewards for work and targeting assistance to need

Page 72 to 78 of the Interim Report considers changes to means testing for improved targeting to need and better integration of the administration of the tax and transfers systems to improve incentives to work. In shaping the future directions for rewards for work and targeting assistance to need the Reference Group would like feedback on:

- How should means testing be designed to allow an appropriate reward for work?
- At what income should income support cease?
- What would be a simpler, more consistent approach to means testing income and assets?

The review needs to be realistic about the patterns of employment. In the circumstances of sole parents employment is often part-time, insecure, contract, on-call and or seasonal work. The end of a contract should not result in the loss of the family home. The Australian Institute of Family Studies found that 67 % of sole mums who had a child 6 to 9 years, were employed which increased to 74% for children 10 to 14 years. Indicating employment capacity increases with the child age. AIFS Nov 2013 (this includes sole parents who are not on payments)

1. Reducing income for families where children are in primary school with the belief that this can be recuperated through paid employment fails these families and creates a financial barrier.
2. Parenting Payment Single provides access to a part-payment if earnings are less than \$1,997.35(plus \$24.60 for each additional child), per fortnight. This should be the minimum earning thresholds for all sole parents who are on income support.
3. A greater use, promotion, access and understanding of *working credits*.
4. Remove the liquid assets waiting list, we want to support and remove the 'risks' of accepting employment.
5. The pension concession card is much valued and we seek that it is still available to individuals moving off income support and would recommend for a period up to 12 months (reward for work).

Pillar Two: Strengthening individual and family capability

Reforms are needed to improve lifetime wellbeing by equipping people with skills for employment and increasing their self-reliance. To strengthen individual and family capability changes are proposed in the areas of mutual obligation, early intervention, education and training, improving individual and family functioning and evaluating outcomes.

Mutual obligation

Page 80 to 85 of the Interim Report considers more tailored and broadening of mutual obligation and the role of income management. In shaping the future directions for mutual obligation the Reference Group would like feedback on:

- How should participation requirements be better matched to individual circumstances?
- How can carers be better supported to maintain labour market attachment and access employment?
- What is the best way of ensuring that people on income support meet their obligations?
- In what circumstances should income management be applied?

Mutual obligation should be premised upon the notion that Australians want to engage in the labour market and that they understand and wish to experience the social and financial benefits. Creating excessive demands that will bear no benefit are counter-productive such as the need to apply for 40 jobs per month.

1. Provide financial assistance and support to sole parents to undertake further studies in order to cycle out of the insecure and low paid employment trap. This would include the maintenance of the pension education supplement and education entry payment. If the study undertaken is of a minimum of 50% of the study load this should be considered as meeting their mutual obligation.
2. A stepping stone between non-engagements to engagement in the labour market could be filled by voluntary work. Work that is undertaken in the area where employment is sought and that it matches the knowledge of the job seeker. Support for out-of-pocket costs could be provided in order to maintain capacity.
3. Families who have children that have ongoing and substantial extra parenting time be free from mutual obligation and that could be measured under the newly instituted 'care load capacity' EG: Ms S has a 9 year old son who has ongoing high parental needs. Ms S needs to respond to her son's school demands to provide support to him in his class room. The support is dependent upon his behaviour and it is unpredictable. If Ms S fails to do this and his behaviour is not conducive to the class room the student is expelled. Ms S needs to ensure that her son arrives home and remain safe for the remaining part of the day.
4. Sole parents to have 'mutual obligation' suspended due to high parenting demands. Eg Ms G 10 year old daughter required extensive hospitalisations (for a period of 3 months). There were no provisions that enabled Ms G to have her 'mutual obligation' suspended and during this family crisis she was fearful of having her income support ceased.
5. The Employment Pathway Plan could become a more dynamic instrument. It should provide a 'cooling off period' to allow the checking that some of the assumptions are available such as access to childcare and accessibility of public transport. The plan should contain the requirements and the obligations of the jobseeker as well as the obligations and assistance that are expected from the job network provider.
6. DHS has payment Finder, a similar online tool could be instituted which provides a list of support and assistance available to jobseekers.
7. DHS to use co-design when developing information. The impact of poorly scripted letters and information to sole parents is well documented and is avoidable.

8. As a community we still have not supported women and children who are unsafe or seeking safety due to the impact of family and domestic violence. Exemptions generally remain unknown and or underutilised as is access to a crisis payment and a DHS social worker. Job network providers who are successful in their tender must demonstrate their capacity to provide a minimum standard response to jobseekers impacted by family and domestic violence.
9. The bodies that are pushing for income management have failed to produce any independent robust evidence that outlines the benefits of this policy and therefore we recommend that this policy does not form the future welfare support system. Furthermore, we point the current availability of *Centerpay*. We recommend that the cost to administer income management be invested into the family payment system.

Early intervention

Page 85 to 88 of the Interim Report considers risk based analysis to target early intervention and investment and targeting policies and programmes to children at risk. In shaping the future directions for early intervention the Reference Group would like feedback on:

- How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?
- How can the social support system better deliver early intervention for children at risk?

In March 2013 the reputable longitudinal study; the Household, Income and Labour Dynamics in Australia (HILDA) survey found that 24% of children in sole-parent households are living in poverty, compared with 7.6% of those living with two parents and that child poverty in sole parent families had increased over the last decade by 15%.

1. Poverty impedes access to adequate health and preventative care, nutrition, stability, development, inclusion and socialisation.
2. Poverty in a family is toxic and its associated distress and anxiety can filter through to all members including children.
3. Poverty impedes access to assistance and support that assist in seeking and staying safe

Once the income support and assistance provides a solid foundation (recipients not contending with poverty) we can, with maturity, discuss a social support system that aims to better deliver early intervention for children at risk.

The service system that is funded to identify and work with children who are at risk should work from strengths based perspective.

Education and Training

Page 89 to 90 of the Interim Report considers the need for a stronger focus on foundation skills in both schools and vocational education and training, and on transitions from school to work. In shaping the future directions for education and training the Reference Group would like feedback on:

- What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?
- How can early intervention and prevention programmes more effectively improve skills for young people?
- How can a focus on 'earn or learn' for young Australians be enhanced?

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

1. Engagement and self-esteem commences in childhood and investment at this stage is prudent.
2. There appears merit in specialist services for young people that have knowledge of the local community, vocational training and secondary schools. Services could provide individual support, assistance and guidance for children who are at risk of disengagement and or lack literacy, numeracy and the skills for job relevant training.
3. There is no value in young people not having access to any income support they will be pushed further into hardship and living marginalised lives.

Improving individual and family functioning

Page 90 to 93 of the Interim Report considers cost effective approaches that support employment outcomes by improving family functioning and the provision of services especially to people with mental health conditions to assist them to stabilise their lives and engage in education, work and social activities. In shaping the future directions for improving individual and family functioning, the Reference Group would like feedback on:

- How can services enhance family functioning to improve employment outcomes?
- How can services be improved to achieve employment and social participation for people with complex needs?

1. Engagement with grass roots groups that speak with an alongside people with mental health conditions are well place to give clear and factual information on what does and what doesn't work. Therefore, NCSMC will leave the commentary for them.
2. The impact of family and domestic violence destabilises lives. The structure of a future welfare system needs to have included consultation with these groups and for their knowledge to be considered. The intersection of employment, income support, family and domestic violence is part of the welfare reform jigsaw puzzle that has been absent and it needs its own focus and platform.

Evaluating outcomes

Page 93 of the Interim Report considers improved monitoring and evaluation of programmes aimed at increasing individual and family capability to focus on whether outcomes are being achieved for the most disadvantaged. In shaping the future directions for evaluating outcomes the Reference Group would like feedback on:

- How can government funding of programmes developing individual and family capabilities be more effectively evaluated to determine outcomes?

The evaluation is essential and the process should include grass roots advocacy services. They have a critical role in providing information on what works, what requires some tinkering, what is failing. Evaluation that is inclusive of such services is more often absent.

Pillar Three: Engaging with employers

Employers play a key role in improving outcomes for people on income support by providing jobs. Reforms are needed to ensure that the social support system effectively engages with employers and has an employment focus. These reforms include making jobs available, improving pathways to employment and supporting employers.

Employment focus – making jobs available

Page 95 to 100 of the Interim Report considers what initiatives result in businesses employing more disadvantaged job seekers. In shaping the future directions for making jobs available the Reference Group would like feedback on:

- How can business-led covenants be developed to generate employment for people with disability and mental health conditions?
- How can successful demand-led employment initiatives be replicated, such as those of social enterprises?

Not adequately placed to provide feedback

Improving pathways to employment

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

Page 101 to 107 of the Interim Report considers the different pathways to employment for disadvantaged job seekers such as vocational education and training and mental health support models. In shaping the future directions for improving pathways to employment the Reference Group would like feedback on:

- How can transition pathways for disadvantaged job seekers, including young people, be enhanced?
- How can vocational education and training into real jobs be better targeted?
- How can approaches like Individual Placement and Support that combine vocational rehabilitation and personal support for people with mental health conditions be adapted and expanded?

Not adequately placed to provide feedback

Supporting employers

Page 108 to 110 of the Interim Report considers what can be done to support employers employ more people that are on income support including better job matching, wage subsidies and less red tape. In shaping the future directions for supporting employers the Reference Group would like feedback on:

- How can an employment focus be embedded across all employment and support services?
- How can the job services system be improved to enhance job matching and effective assessment of income support recipients?
- How can the administrative burden on employers and job service providers be reduced?

Not adequately placed to provide feedback

Pillar Four: Building community capacity

Vibrant communities create employment and social participation for individuals, families and groups. Investments by government, business and civil society play an important role in strengthening communities. Also, access to technology and community resilience helps communities build capacity. Building community capacity is an effective force for positive change, especially for disadvantaged communities.

Role of civil society

Page 112 to 116 of the Interim Report considers the role of civil society in building community capacity. In shaping the future directions for the role of civil society the Reference Group would like feedback on:

- How can the expertise and resources of corporates and philanthropic investors drive innovative solutions for disadvantaged communities?
- How can the Community Business Partnership be leveraged to increase the rate of philanthropic giving of individuals and corporates?
- How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?

1. Voluntary work, as a stepping stone, can be advantageous to both the job seekers and their community to improve their employment outcomes.
2. We do note that developing foundational work skills, confidence is one element in gaining employment and it should complement and or pave the way to accessing education, gaining a qualification and or undertake workplace training and development opportunities.

Role of government

Page 116 to 120 of the Interim Report considers the role of government in building community capacity. In shaping the future directions for the role of government the Reference Group would like feedback on:

- How can community capacity building initiatives be evaluated to ensure they achieve desired outcomes?
- How can the income management model be developed to build community capacity?

Income management model does not appear conducive to building community capacity.

In a recent survey which gained the experiences of 722 sole parents 53.53% indicated that they were affected by employer prejudice and viewed as 'sole parent unreliable' while a further 14.9% indicated that they were 'too old'. Prejudices can be shaped by a range of factors including signals and statements from the government such as 'poor people do not have the skills to manager their own income'. Income managemenet can erode community and individual capacity.

Role of local business

Page 121 to 123 of the Interim Report considers the role of local business in building community capacity. In shaping the future directions for the role of local business the Reference Group would like feedback on:

- How can communities generate opportunities for micro business to drive employment outcomes?
- How can mutuals and co-operatives assist in improving the outcomes for disadvantaged communities?

'Disadvantaged communities' require support and assistance by local organisations and services. The Key Stakeholder is the members of those communities, and they need to be part of the development, the thinking, the shaping and the evaluation of the services. Services contracted by the government (based upon the most impressive tender) and then imposed upon communities are not always the 'best fit' and opportunities are lost.

Access to technology

Page 124 to 125 of the Interim Report considers access to affordable technology and its role in building community capacity. In shaping the future directions for access to technology the Reference Group would like feedback on:

- How can disadvantaged job seekers' access to information and communication technology be improved?

In a survey of 722 sole parents, 80.9% indicated that access to the Internet was essential in their quest to seek more hours of employment or to gain employment. However, it is these groups who are at risk of not having access to the communication technology unless there is adequate income support.

Community Resilience

Page 125 to 126 of the Interim Report considers how community resilience can play a role in helping disadvantaged communities. In shaping the future directions for community resilience the Reference Group would like feedback on:

- What strategies help build community resilience, particularly in disadvantaged communities?
- How can innovative community models create incentives for self-sufficiency and employment?

Community models that strength based, that have the support and involvement of the community.