# Welfare Review Submission – Victorian Public Tenants Association

## Pillar One: Simpler and sustainable income support system

**General Principles**

We should have a universal payment system, regardless of the payment category/type, that provides a sufficient Living Allowance to provide people in need with the basics (i.e. food, clothing, shelter and health-care) so that they can live as a valued member of the community.

We need a mutual obligation system that provides adequate support to people engaged in programs to genuinely seek work, or for those undergoing treatment for periods of temporary incapacity which prevents them from working or seeking suitable paid work. For its part, the Government should provide reasonable levels of support to those who need it and comply with the provision(s) of their payment.

There may be additional incentives and allowances for those in programs to help secure work or acquire skills to improve their employability.

People with temporary disabilities undergoing treatment would receive the Living Allowance with additional allowances towards the cost of treatment.

Those with permanent disabilities, permanently unable to work or people over working age should be paid a permanent Living Allowance. This rate would be based on a % of the Minimum Wage and be reviewed at least annually at a rate sufficient for someone in retirement to live successfully.

Actual rates would be determined by the appropriate Authorities, taking into account the real cost of living and adjusted annually.

### Fair rate structure

Rates should be adjusted annually in line with cost of living increases linked to a percentage of the Minimum Wage rate, fairly determined by the appropriate authorities.

Additional allowances would be applied for dependants without adequate income support in their own right, living at home and dependent on parental/guardian support. This would include former students and persons temporarily ineligible for Govt. assistance due to some preclusionary legislative provision (e.g. such as being unemployed for 6 months before being eligible for payment in their own right).

All Living Allowance payments should be at a minimum rate set above the poverty line – said rate to be established by the appropriate Authority

No one should be left in the Community without adequate means of support, providing they are fulfilling the requirements of an approved Govt. program.

### Common approach to adjusting payments

If the rates of Living Allowance payments were to be set at an agreed % of the Minimum Wage at a realistic and fair level (above the poverty line), they should be adjusted at least annually for real cost of living increases.

Alternatively, they should be fixed to a percentage of average income.

The actual rates should, in either case, be determined by the appropriate Authority.

### Support for families with children and young people

Young people living independently in the community need to be supported and should be eligible for a living allowance in their own right, whilst undergoing training or looking for work in compliance with a Government Assistance Program.

An allowance should be paid to parents that recognises the legal responsibility for, and the real cost of, supporting young people and children who are dependent on parents’ income for support. This is particularly important when no other Government support is available to the child or young person.

Where the parents are unable to meet the cost of supporting a dependent child or young person under the age of 21, then special consideration should be given to the provision of an independent living allowance to a young person undertaking education or training without parental support.

Persons over 21 should have their entitlement for a Living Allowance assessed as an independent person living in the community – provided they are in study or undergoing training or can otherwise demonstrate they are genuinely seeking suitable paid work / full-time employment.

### Effective rent assistance

Rent Assistance should only be paid in circumstances where the rent payable exceeds 25% of combined total household income.

Eligibility for Rent Assistance should be limited to those living in social housing (including public housing); to those in private rental in receipt of a government Living Allowance payment; and to low income households living in rental stress.

By definition, rent above 30% of household income equates to rental stress. Some households well exceed this threshold and may warrant additional support/subsidy rather than be forced into extreme poverty or the more highly subsidised social housing program (presuming this option is available).

As a determinant of additional rent subsidy/support payable, consideration needs to be given as to whether available funds, after rent is deducted, are adequate to cover the costs of living, including food, clothing, education, health and well- being, utilities and job search.

Market rent or any notional market rent rate should be disregarded as a factor in the rent assistance calculation, as this would have an inflationary impact.

### Rewards for work and targeting assistance to need

A standard assets and income test should apply to all Living Allowance recipients, regardless of any payment type or category.

The income test should encourage employment. A person should always be better off working and receiving a part payment than they would be on a Living Allowance (pension or benefit). This would provide an incentive to work. As an example - if the income test-free threshold was, say, $50 per week for a single person, then any earnings above this $50 would reduce the payment by $0.50c in the dollar, to a cut off limit where no payment is made.

## Pillar Two: Strengthening individual and family capability

Notional targets of a certain number of hours per week “work for the dole” are unrealistic and unworkable, as are a specified number of employment applications to be made each month and take no account of individual circumstances or of the parlous reality of the job market. Employers will be reluctant to verify efforts to obtain work as being genuine should this be a requirement. Long term compliance will certainly be an issue.

It would be beneficial and fairer for an individual assessment to be made for each applicant for a Living Allowance and that this assessment forms part of a social contract. Whilst a person can demonstrate that they are fulfilling the requirements of their individual contract, they would remain eligible for payment. If they cannot comply with their contract without sufficient reason, payment would be suspended until the individual is prepared to comply. In the case of a family with dependents, the requirements would apply to each adult partner.

### Early intervention

Where there are dependent children, the support and well-being of the children should be a paramount consideration and early intervention may be called for when there is evidence that children may be at risk. A National case management system needs to be put in place to assist at risk individuals, families and children in such circumstances.

### Education and Training

There needs to be emphasis on training that equips people for work and to fill real job vacancies.

Apprenticeships need to be encouraged and employers taking on apprentices need to be subsidised, increasing year on year throughout the period of the apprenticeship.

So called “work for the dole schemes” should only apply to employers actually looking to take on staff, or with real jobs to be filled, or where the skills acquired from the work being performed are needed in the broader job market/community.

If the work is considered as being of value to an organisation/community, why should it not be paid employment in the short term or for extended periods, once an on the job training or qualifying trial period is achieved?

Organisations that utilise volunteers should be the first option for work experience referrals or “work for the dole” referrals.

### Improving individual and family functioning

A National case management system should be introduced for identified at risk families and individuals in receipt of income support payments.

### Evaluating outcomes

Create and properly fund an independent panel of experts (commission) to oversee and refine the functioning of the National welfare system and not subject income support to the vagaries of politics.

Develop proper measures of performance that are transparent and which are reported annually to Parliament.

## Pillar Three: Engaging with employers

Seek inputs from business as to what they see as providing solutions and how they would support growth in the job market.

Provide real incentives for businesses hiring Australian staff and apprentices to create growth and stability in the job market.

Encourage (incentivise) employers who provide training for real jobs and who are creating jobs and taking on staff.

Amend the 457 Visa process to ensure jobs offered to overseas residents cannot be done by an Australian due to need for high level expertise which cannot be found in Australia. The work must be paid in excess of, or equivalent to the governing award rate payable in Australia for a comparable position/work.

Similarly, evaluate current use of 457 Visa processes which allow for unqualified or under-qualified overseas workers to be in paid employment within Australia that typically requires an Australian qualified tradesperson, not subject to 457 Visas, to perform the same work and close these loopholes, whilst addressing the lack of suitably qualified trades within Australia that has led to this practice.

### Improving pathways to employment

### Train people for real jobs with needed skills.

Weight the funding of training and employment agencies towards successful graduation and employment outcomes, rather than client numbers and attendance figures.

### Remove the barriers to employment by educating and providing incentives to employers to take on people with disabilities or from disadvantaged backgrounds.

### Include volunteering within community-based organisations as an activity that meets the requirements of ‘mutual obligation’, develops skills, can lead to paid employment and meets eligibility requirements for Living Allowance payment(s) as part of an individual’s assessed social contract.

### Supporting employers

Match skills with real vacancies or to meet market need, which will continue to change from time to time.

Provide incentives to employers hiring Australian staff or creating new jobs.

## Pillar Four: Building community capacity

Create opportunities for employment, training and to provide meaningful work experience in the not-for-profit sector and provide incentives and subsidies for people undertaking volunteer work.

### Role of government

Develop performance measures that show how the system is working and identifies areas for improvement. Govt. should review existing performance measures which give an incorrect impression or disguise the true position.

Govt. can build community capacity by removing red tape, by promoting local programs and initiatives which create growth and by encouraging new business, including providing stimulus payments in areas where this will be of lasting community benefit and fills an identified gap.

Govt. should sponsor industries with long term benefits to Australia such as: - exploration, medical research, food production technologies, research and development, commerce and business hubs, business incubators, alternative energy development, etc.

### Role of local business

Business with the support of Government could look at gap analysis in the local community and develop strategic responses in conjunction with local Government.

### Access to technology

Do not assume unemployed or disadvantaged people have the computer literacy to enable them to access the on-line job market successfully, or the ability to deal with Government Departments on-line. Many people will not have access to a computer or the internet as they simply cannot afford it. If income support payments are removed, how would people be able to afford even the most basic internet plans?

Govt. could look at creating local internet hubs close to public transport or to provide paid internet plans for people to study and seek work on-line.

Basic (English) literacy remains a significant issue for some adults of employment age and the mere provision of internet services does not address this barrier to successful outcomes of training and job-seeking requirements. Where needed, literacy programs must be included as part of an individual’s pathway to employment. Funded programs and individual allowances must be assessed by their effectiveness rather than by simple attendance.

### Community Resilience

Promote the success stories.

Focus on the positive things that are happening in the community and look to replicate things that are working well.

Exchange ideas and experience. Gov’t to sponsor community events and forums aimed at capacity building.