# 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?

| Feedback from families that SDN is in contact with say that the current system is too complex and should be simplified. As such, a simpler architecture for the income support system would be strongly supported by SDN.The proposed income support system should consist of a single base childcare payment with weightings added for family and child needs. These needs would be assessed by using an actuarial based structured assessment tool. In this way, the system would be kept simple yet responsive to individual needs.  State and Federal subsidies, concessions and payment systems could be better articulated through the development of joint agreements between State and Federal agencies. This would avoid any duplication and gaps emerging and in particular the potential re-introduction of complexities back into the system. Such agreements should be included in government funded family support programs in order to better coordinate and streamline access to social and income support. |
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### 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?

| Families, particularly single parents, those experiencing vulnerabilities such as mental health issues, on low or unstable incomes and those with children with additional needs, state that the current level of support is not sufficient to meet their basic needs. As a consequence, barriers to entering the labour market are compounded through sub-standard and unstable accommodation, an inability to address their own needs and those of their children, and inability to afford extra transport costs, etc.As such, the proposed income support system should consist of a single base childcare payment with weightings added for family and child needs. These needs would be assessed by using an actuarial structured assessment tool. In this way, the system would be kept simple yet responsive to individual needs.  |
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### 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?

| SDN supports the proposal for a common approach to adjusting payments to ensure a more coherent social support system over time. This would also ensure that resources devoted to low income recipients are shared more fairly over time. It is important to ensure that any approach to adjusting payments keeps up with changes in community living standards as the economy grows.The basis for a common approach to adjust payments should include the following: * The Consumer Price Index
* Local costs of living increases (eg. Rent increases) which are above the CPI.
* Regional and remote areas variables which are more dependent on transport costs.
* Payments should be reviewed automatically every six (6) months.
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### 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?

| SDN supports the direction to replace the complex mix of different payments with a new child payment for the costs of children and young people to complete education and transition to work. Payment rates in a new child payment should increase progressively to recognise the increasing costs as children grow up. Supplements should be paid to recognise additional costs in particular circumstances, such as living away from home to study, the costs of studying in a remote location, children and young people with additional needs and the costs of living across more than one household. A clearer policy framework should be developed on the basis of when young people are independent from their families rather than an age criteria. Such a framework would use the young person’s receipt of an income in their own right as a determining factor for independence. Child payments should however continue, tapering off, as young people complete the transition to work. This is in recognition of the often unstable nature of work and low pay that young workers receive. Such a policy would also help alleviate housing stress created for the family (when payments abruptly cease) or for the young person in having to seek out other forms of accommodation. |
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### 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?

| No response. |
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### 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?

| No response. |
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## 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?

| SDN supports the position that participation in employment should be a priority across the whole social support system. Individually tailored requirements rather than the current categories would also recognise the diversity of people receiving income support.Arbitrary exemptions from participation requirements should be avoided. For people who are not currently available to work, such as carers and parents of young children, the participation focus should simply involve a discussion about future plans. SDN supports the broadening of mutual obligation to include building life skills, promoting parental responsibility and improving outcomes for children, particularly for those living in jobless families who are dependent on income support.For families and individuals facing multiple disadvantage, the main barrier to employment is not necessarily availability of work or the need for relevant skills, but can also include a lack of the soft skills necessary to participate in a workplace. Other barriers can include lack of self-esteem, inability to access child care, no access to stable housing, personal and family health issues, cultural and language barriers, and other personal or family circumstances that can interfere with the ability to consistently attend work. The creation of jobs alone will not address these issues, and education and training models need to include a focus on the soft skills required as well as technical skills, particularly for young people from a background of multi-generational unemployment. Services such as affordable childcare, respite care, parenting support, stable housing, appropriate health care need to be overcome before many people facing disadvantage are in a place to even consider employment. SDN’s Brighter Futures is a voluntary program for families who are expecting a child or have children up to and including eight years of age, and who are facing problems that are affecting their ability to care for their children. The program is one of a range of NSW Government early intervention and placement prevention services.SDN Brighter Futures works in partnership with different services to provide tailored and effective support for families, which may include parenting programs, access to subsidised early childhood education and care services, and home visits. Brighter Futures provides families with the necessary support and services to help prevent an escalation of the problems they are facing. Supporting families before problems reach a crisis improves family resilience, promotes healthy child development, and reduces child abuse and neglect.SDN’s experience working with Aboriginal women in partnership with TAFE is another example of how an integrated approach to individual and family capacity building can lead to engagement in education and training. This model should be continued and replicated in other areas.However, SDN cautions about the use of sanctions for non-compliance and agrees that the application of sanctions should take into account the likely impact on child welfare where applicable.Similarly, care should be applied to the application of income management on whole groups of people. Income management should only be used as part of an individualized case-management approach for the most vulnerable job seekers who need to build foundational skills and stabilise their circumstances, as a platform to move into work or study. |
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### Early intervention

**Page 85 to 88** of the Interim Report considers risked 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?

| SDN believes that ongoing support should be given to policies and programmes that target children at risk. Investing in young children can increase levels of schooling, reduce crime, improve productivity in the workplace, improve adult health and reduce teenage pregnancy. SDN supports the analysis that child care plays a significant role in the development of children, particularly when there is a focus on early education. It is acknowledged that for disadvantaged families with limited skills and resources to raise their children, child care can also be an early intervention and prevention tool to maximise children’s developmental outcomes. Child care can assist families by providing carers who have the skills, time and environment to support children develop. Child care can provide disadvantaged parents with the opportunity to find a job or participate in education or training. SDN also supports the provision of home based parenting education and support programmes which complement child care. Such programmes are vital in building the confidence and skills of parents and carers to create a positive learning environment to prepare their child for school. |
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### 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?

| No response. |
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### 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?

| No response*.* |
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### 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?

| No response. |
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## 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?

| No response. |
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### Improving pathways to employment

**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?

| SDN is an employer of approximately 700 people and has experience providing employment for disadvantaged job seekers. SDN also has a proven experience in providing employment-related upskilling and opportunities for young people through its student placement program, which links to our recruitment of both casual and permanent staff. These initiatives could be extended in the following ways:* Extending student placements to work experience programmes for disadvantaged job seekers by partnering with appropriate employment agencies.
* Employment of mentors for disadvantaged job seekers undertaking work experience, to facilitate successful placements, transition to further training and ongoing employment at SDN.
* Expansion of traineeship opportunities to support young people in their local community to gain workplace skills and qualifications.

SDN currently offers traineeships in early childhood education at one of regional our long day care centres. We are currently assessing this model for the potential of rolling it out into other of our regional locations and in the metropolitan area. As part of our investigations we are considering appropriate models for offering Aboriginal-specific traineeships.  |
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### 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?

| SDN believes that the system can better support employers such as SDN by assigning ‘employment service managers’ to individual medium and large companies in order to design assistance packages tailored to the specific needs of the employer.Th This would enable employers to maximise employment outcomes for disadvantaged groups by improving job matching and more effective upfront assessment of needs as well as reducing administrative burdens on employers. |
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## 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?

| Civil society organisations such as SDN play a major role in Australia in providing services to disadvantaged groups and individuals. The Productivity Commission’s 2010 research report, *Contribution of the Not-for-Profit Sector*, noted that civil society is large and diverse, contributes $43 billion to Australia’s gross domestic product, and represents 8.5 per cent of employment in Australia.SDN shares much in common with the sector, with (more than) half its income coming from fees for goods and services and one third coming from government funding. While it has less than one tenth of its income from philanthropic sources, this is a growing source of income. As such, SDN would support measures to increase philanthropic contributions to organisations like SDN through venture philanthropy and the development of Private Ancillary Funds. SDN agrees with the position that innovative solutions are required to address the multiple issues faced by disadvantaged communities. These solutions need to bring together corporates, philanthropic organisations, government and the community to address these issues.In particular, SDN support further work into the development of Social Impact Bonds for the provision of childcare, family support programs and job creation in disadvantaged communities. SDN’s experience working with Aboriginal women in partnership with TAFE is a good example of how community capacity initiatives lead to job creation in disadvantaged communities. This model should be continued and replicated in other areas. Our experience shows us that working locally within a community, providing culturally appropriate mentoring, and supporting transition to work helps disadvantaged job seekers to successfully acquire qualifications to move into sustainable employment.  |
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### 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?

| SDN believes that Government has a vital role to play in the development and coordination of place based initiatives across Australia to improve outcomes for specific target groups in disadvantaged areas. SDN believes that such an approach is vital in addressing localised issues and the needs of specific groups of disadvantages people.It is essential that place based initiatives include multiple and integrated programmes addressing issues such as unemployment, skills improvement, family dysfunction, community capacity building, school attendance, safety, parenting and transition to/from school.SDN supports the Government’s focus on the three critical priorities in Indigenous affairs: that children attend school, that adults have real jobs and that communities are safe with the law of the land observed.  |
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### 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?

| No response. |
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### 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?

| No response. |
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**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?

| No response. |
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