

# 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?

Timeframes given for response are inadequate. This report was released with only a 6 week period for organisations to respond, it was released through DSS which was also running a major funding round (19/6-24/7) that involved many of the key organisations in the sector. This places excessive strain on the Community Sector and compromises the government's ability to get considered and robust feedback on the interim report.

#### **Preferred Architecture of the payment system**

Colony 47 endorses a simplified income support payment system. The current system is administratively unwieldy and for the recipient of income support it can be confusing to navigate.

However, any reforms need to commit to the principles of fairness, transparency and adequacy. In practice, this means that a commitment needs to be made by Government to ensure that no individual that currently receives income support will be worse off after the reforms. This needs to be assessed at the level of the individual not an average or overall commitment to not cutting income support. The preferred structure of the payment system would be a single payment that meets basic living standards. This would then be increased through a system of supplements for individuals that have higher costs of living: people with disabilities, those who are caring for others and single parents for example. People should not be penalised by being moved to lower payments for reasons such as their child reaching 8 years of age, having a disability and having progressed toward finding employment or ceasing caring for a person with a chronic illness. There should be a focus on supporting people through transitions such as these instead exacerbating the effects of the transition.

#### **Should people with permanent impairment....receive separate payment...?**

There is merit in people with a disability receiving a separate payment, however care needs to be exercised in how this is assessed, many people with disability experience debilitating impairment, however it is episodic. It is concerning that it is assumed in the report that a person with a disability who is deemed to be capable of performing some work is deemed to not be in need of the Disability Support Pension. The reality is that in the Tasmanian job market it is often extremely difficult for a person with a disability to find work in the first place. This is particularly the case for people who have a disability that is episodic in nature. In these cases, an individual's ability to be able to move in and out of the work force flexibly and with minimal issues is questionable. Before proceeding with make the DSP harder to receive, it must be established that there are opportunities for people with disabilities to meaningfully participate in the work force, and the resources and support structures in place for potential employers.

#### **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?

Although Colony 47 fully supports a more streamlined and efficient system of payment it does not support and disadvantaged group being worse off as a result of this reform. The fixed income support needs to adequately support people to live and target needs, while building in choice and autonomy. It is estimated that people on fixed income support currently spend 122% of their income, this promotes debt, to pay-day lenders and further poverty.

Many of the rates of welfare payment have not kept pace with the cost of living. This is especially apparent in the case of allowances such as Youth Allowance and Newstart. The current welfare system, let alone the changes described in the report do little to address intergenerational unemployment, geographic disadvantage and complex community needs. The most important issue that need to be explicitly addressed is the large and increasing gap between the level of the Newstart and Youth Allowance payments and the DSP. It is of great concern that for many on Newstart and Youth allowance are manifestly unable to attain an adequate standard of living. Furthermore the paucity of these payments are in many cases acting as a barrier to finding employment.

The maximum rate of Newstart allowance and Youth allowance should be increased by at least \$50 per week as recommended in the Henry Tax Review (2009) and be indexed in line with CPI so as to ensure that the growing gap between these welfare payments and average wage weekly earning is not increased.

Payments should be targeted to address poverty and improve income support for socio-economically disadvantaged families. Instead of paying people according to what it is thought that their future job prospects might be, the rate of payment should be aligned to their current financial needs.

### **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?

Before consideration of how payments need to be adjusted for changes in costs of living and community living standards, there needs to be a wholesale increase in the payments made to people on income support. Five years ago through the Henry Tax Review there was a recommendation of a \$50 increase, and this was subsequently backed up by calls from Business Council of Australia, the Organisation for Economic Development, the ACTU and an enormous number of leading community service agencies. A recent ACOSS report showed one in eight people or 2.2 million Australians are living in poverty, including one in six (575,000) children. The single most important action the government must take to address the worsening levels of poverty across our nation is to increase the single rate payments of Allowances and then the fix indexation arrangements.

### **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?

## 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?

It is reassuring that the report acknowledges that the current rent assistance rates are inadequate, most obviously evidenced by the fact that the rise in private rents have outpaced the rise in rent assistance by at least one and a half times.

Of concern is that the report spends much effort on looking at issues such as perverse incentives for tenants to remain in public housing, when in fact the lack of low income housing, both public and private is the primary issue. This is especially pertinent in light of the attention drawn in the report to the lack of geographic mobility in the work force being a key driver of higher regional unemployment rates. This and the lack of affordable housing in many regional and urban areas are the major reasons why people often don't move for work opportunities.

It must be considered that the unaffordability of housing is a key barrier to employment for many people who are unemployed. This unaffordability is the result of the multiple tiers of government policy that act to restrain housing supply. The reality is that an increase in the rent allowance will merely mean that there is more money being channelled into the same restricted pool of housing.

Improvements to the rent assistance system may be made in a number of ways. Firstly, a zoning model could be used where the total amount of rent assistance is calculated based on the private rental rates in a particular area. Secondly, the threshold at which Rent Assistance is paid should be dropped, this would have the effect of allowing more people to receive Rent Assistance and increase the rate of payment. Finally, social security payment should be increased so that they are realistically sufficient to cover the cost of living. An initial step would be to grant Rent Assistance to student over 25 in receipt of Austudy.

Long term, it is imperative that action is taking to address the keen shortage of affordable housing through a commitment to the National Rental Affordability Scheme.

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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?

## **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?

Colony 47 acknowledges that a strength of the report is an emphasis in the bridge between income support and employment including a recognition of greater resources required to support both job seekers and employers. However a fundamental weakness is a punitive approach to people on income support (such as income management). This blames people for being unemployed and further erodes their confidence and capacity to seek employment, rather than supporting job creation and skills development in areas of need. Income management has already been trialled both in the Northern Territory and in other regional areas around Australia. It has been administratively burdensome and expensive to implement and has not been shown to have a positive or lasting impact.

There has been a fundamental shift in the way that people engage with the labour market. This is particularly true for the Tasmanian economy which is subject to challenging economic circumstances. To add to this already challenging environment, people are expected to skill up for work and continue to develop these skills over their working life as they move between industries in response to demand. It is important that financial support for the vulnerable is sufficient so as to avoid adding to these major barriers to workforce entry.

It is concerning that the questions asked appear to focus on individual responsibility to the exclusion of the factors such as ineffective labour market programs, regional differences in employment rates, lack of public transport, lack of affordable childcare and employer attitudes towards disadvantaged segment of the labour market. These are all areas in which governmental and business response has been inadequate.

There is little evidence that income management can be effective in helping people “stabilise their circumstances” and “build capabilities”. The majority of empirical research has found that there is little to no evidence that income management leads to lasting behavioural change or improvements in people’s lives. Income management should be phased out and in its place policies at a local level need to be negotiated with communities so as to deal with entrenched socioeconomic disadvantage.

Limits on income support based on a waiting period or geographic location should be avoided. Additionally any job seeking activities that are not able to be demonstrably linked to improved employment prospects should not be implemented.

## 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? It is of concern that the report asks this question in the light of recent government policy that has dismantled many of the targeted programmes that go towards addressing this issue such as the Youth Connections Program and significantly reduced funding to key early intervention funding of social service, including but not limited to the National Partnership Agreements and Gonski funding for schools..

There has been significant criticism of a punitive approach to welfare provision. It is of note that in New Zealand there has been a growth in the number of people without adequate income support who instead rely on emergency relief payments to get by. It is contested that the welfare changes made in New Zealand are in fact the reason why the unemployment rate has fallen, with many attributing the fall to the economic recovery and an improvement in the labour market. In fact, a number of researchers have explicitly cautioned against following the New Zealand approach with one academic stating that “it pushes families into poverty... it’s nothing to be proud of”.

Rather than a “one size fits all” model, early interventions should be developed in consultation with specific communities according to their needs and the assessed level of risk. Any intervention should use a strength based approach rather than a punitive one. In this way, early intervention for children at risk can be carried out in the most sensitive, productive way possible. It is important to acknowledge that the rate of child poverty in Australia is growing and that governmental policy changes over the last decade are the major reason for this growth. The major interventions at a governmental level that would address at risk children would be to restore realistic indexation of welfare payments to families and an increase in the payment to single mothers that reflects the increased costs of bring up a child alone. A reliance on economic growth alone is an insufficient intervention to ensure that the needs of at risk children are met.

The Community Services Sector plays an enormous role in supporting parents, schools and communities in early intervention programmes for children at risk: The following are just 2 examples of programmes run through Colony47 that are specifically designed to target early intervention in at risk children

**1. Strengthen the relationship between the Community Sector and Schools:-** Tasmania must undergo a cultural transformation. Local communities must take ownership of their future. This begins with parents engaging in their children’s education. Unfortunately with such high levels of disengagement in some areas of the State this relationship between parents and their children’s school needs to be brokered. Community Sector Agencies (CSA) are ideally placed to forge stronger relationships between parents and their children’s education; however this is reliant on the involvement of a CSA in the local schools. To encourage a greater interaction between the Department of Education and the Community Sector it would be desirable **to develop a strategic initiative that funds the establishment of formalised partnership between schools and CSA’s.**

Many parents have negative memories of school. Colony 47 currently delivers a program called ‘Communities supporting Families’. This program helps to build a child’s and family’s engagement with education through a ‘whole of family’ 6 week school based creative arts group program. Promoting a positive experience for the parents allows them to model a positive attitude for their children. There is also enormous unmet potential for the community sector to work in a classroom setting with teachers and parents to improve engagement of parents in the school and connectedness with their child’s education.

**2. Recognition that 80% of learning occurs outside the classroom:-**Although schools are essential to formal education, much of a child’s attitude toward education and **willingness to engage in education is formed through modeling from their primary caregivers.** Colony 47 delivers the *Home Interaction Program for Parents and Youngsters (HIPPY)*. This is a Federal Government funded initiative that is a home based parenting and early childhood enrichment program that works with parents and carers of young children to help them be their child’s first teacher. Parents participating in HIPPY with their child have the opportunity to be employed and trained as HIPPY home tutors. Home tutors visit parents on a regular basis, providing support, advice, activities and educational resources. The strength of this program is that it is community members teaching one another the importance of education. This program could be adapted and expanded across Tasmanian communities and other regional settings throughout Australia.

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

## 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?

As is so common throughout the report and the current government rhetoric, this report assumes there is not a willingness by young people to learn or to earn. The evidence of people on the ground is that there is an overwhelming desire for greater participation by young people, but there are considerable barriers that are not within their control. Tasmania has some of the lowest school retention rates and lowest levels of literacy and numeracy in the nation. The following initiatives are targeted to the Tasmanian Community, but would be applicable across regional Australia.

**Education Packages:** - Improving retention rates of High Schools to Year 11 and 12 will be dependent on the flexibility of 'education packages' delivered to students.

- **Creation of e-classrooms:**-Due to lack of critical mass some subjects are not offered in every high school/college (particularly smaller more isolated communities with the lowest retention rates). The ability to offer a virtual classroom is essential; with a teacher at one location and support staff within each school site, so that live delivery of theoretical material is possible. The NBN would be vital to ensure this could be effectively delivered.
- **Short-term accommodation:**-Many students need to travel on a regular basis to attend some classes in larger centres (e.g.: practical components of the e-classroom). A coordinated funding and booking system needs to be developed to facilitate students accommodation needs (e.g.: for 1-2 nights a week or 1-week a month). There is currently capacity for short-term accommodation in southern Tasmania but not in the northern regions.
- **Transport options:**-Many regional areas of Tasmania have only sporadic transport options for students to major centres. The funding and availability of transport options must be addressed to allow for the flexibility required to retain students at school.

**Trade Training Centres:**-These give an educational lineage into industry; it is essential that these centres are strengthened and fully incorporated within the 'education packages' offered to retain students at school.

**Support of the Teaching Profession:**-There are several European examples of success in improving retention rates of students and these have emphasised the need to provide greater support for and recognition of teachers including, higher university entrance scores, remuneration, on-going mentoring and professional development.

**Comprehensive Pathway Planning:** - It is imperative that more focus is given to showing Tasmanian students the potential opportunities that education can offer for their future. Planning of pathways beyond formal schooling needs to commence in the early High School years and guide students through choices and transitions.

## 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:

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



- 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?
- Punitive measures such as income management, removal from DSP and hard-line activity based requirements reflect a view that people on fixed incomes do not want to work. This is not the experience of Colony 47. The vast majority of people that our organisation works with want training, skill development and employment to better their own lives and the lives of their families. However, for the most vulnerable in our society; those that have had little education, have had minimal positive modelling (inter-generational unemployment and/or abuse) and/or have physical/mental disabilities their chances of successfully finding employment in the open market are considerably constrained. These people require support, not punitive action.
  - Restrictions on payment rates, duration or eligibility of income support are very likely to lead to greater pressure on already stretched public housing stock and will inevitably lead to an increase in homelessness. Many people on income support, but particularly those currently on DSP that are most vulnerable to change in their status under these proposed reforms, have co-morbidities, this means they have complex physical and/or mental health issues that are often cyclic. One of the fundamental principles of assisting someone with disability is safe and affordable housing, many people that are currently on DSP could not maintain their housing if they were moved to a lower fixed income. The increased financial stress of being excluded from DSP will exacerbate many peoples conditions and often people turn to drugs and alcohol to alleviate the symptoms of their illness, this further exacerbates both their financial and emotional stress.
  - Colony 47 operates **Partners in Recovery**. This initiative was commenced in 2013 and has been flagged to be de-funded as at 2016 with no further roll out of further sites. Already this programme of wrap around support for people with chronic mental illness has shown results. This programme provides holistic, family-centred support that has already kept vulnerable families together. For example in situations where there is a parent with mental illness PIR has provided the support networks necessary to keep children at school, and reduced their parentalisation by removing some of the burdens of care from the children. This programme successfully facilitates across social services, medical and allied health services as well as education and employment.

## 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?

It is a welcome direction that government is looking to evaluate outcomes of programmes instead of outputs. Evaluation needs to focus on programmes that mitigate against the key risk factors for families and individuals. Therefore evaluation needs to concentrate on how programmes perform against the following:-

- increased literacy and numeracy
  - increased school retention rates
  - reduction in drug and alcohol use
  - reduction in Family violence
  - reduction in youth homelessness
  - reduction in mental health issues
  - increased employment

If programmes achieve outcomes in these areas they will be successfully improving individual and family capability

## 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?

There is an urgent need in Tasmania to re-think strategies to localise opportunities for employment, education, and volunteering. The key issues to consider are:

- How do we get people *engaged*?
- The current *gap* between business/industry opportunities and information in the local community.
- The need for a *communication* plan to be developed between schools, employers and community groups.
- Acknowledgement that *brokers* are effective and our experience shows it works.

**Establishment of a Sovereignty Fund:** This fund would provide an individual package of \$5 000-\$10 000 to be spent over a 3-6 month period on mentoring, training, skill development and work experience. Eligible participants would be Year 12 school leavers and the long term unemployed (greater than 12 months). **This fund models the individual support packages that allow people to choose the type of assistance that they need.**

**Supporting Small Business through Mentoring:-** New employee mentoring training would be a cost effective mechanism to support small employees. A 12 month program could provide support to the new employee to understand the expectations and standards of their employer, could facilitate the resolution of any issues between the employee and employer, and support both parties to retain the employee.

### 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?

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

- 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?
- Colony Partnership Brokers is an exemplary example of how business, schools and community can work together to improve pathways to employment. It is covered in more detail in response to Pillar 4 – Building Community Capacity

## 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?

## 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?

**The Community Sector is ideally placed to act as a Relationship Broker between Schools, Business and Government:**

-In Tasmania, many students see a State with high unemployment and lack the incentive to strive for a career. There are a number of CSA's with strong links to business and industry that stretch beyond the ability of schools to engage with career pathways for their students. For example Colony 47 currently delivers a program called

*'Colony Partnership Brokers'* which successfully builds relationships between high-schools, communities and business. A similar model to this program could be delivered on a broader scale throughout Tasmanian high schools, to provide greater vocational opportunities to students and incentive to strive for greater education attainment through planning a pathway from school to employment. **The businesses with support from Government initiatives could support these students to transition from school to an employment situation.**

**Case Study : Colony Partnership Brokers**

Colony 47 brokers a partnership program in Bridgewater called Community Blitz. It is a partnership between Workskills, Jordan River Learning Federation, Bridgewater Trade Training Centre, Police and Community Youth Club, U Turn (Mission Australia), Tasmanian Government (DPAC), Brighton Council, LINC, Red Cross, Rock Property, and Skills Tasmania. It is a progressive, community based landscaping and beautification enterprise that provides opportunities and inspiration to young people to take positive steps towards identifying and engaging with study, training, and employment pathways. Although this is a work-readiness program it is designed to enhance confidence, wellbeing and resilience in the individual, as well as capacity building and connectedness within the community. In the 18 months of operation there have been 35 young people participating, with 6 going onto employment, 2 into further training and a further 8 still engaging with the program.

**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?

- Colony 47 deals with the unintended consequences of poor public policy every day. We have people with suitcases sitting at our front door waiting for us to open to get assistance.
- Colony 47 believes in a social safety net for people, part of the fabric of 'team Australia' is not the 'us and them' rhetoric of recent public discourse. This is not **our** money being given out to the undeserving. This is an appropriate redistribution of wealth within a civilised society to ensure we maximise the opportunities for this generation and the next. People's circumstances can change rapidly and beyond their control. The language of blame and punitive action is not what assists people to get back on their feet and enter the workforce and society again.
- When did 'Welfare' become a dirty word in Australia? Australians don't live in an economy, they live in a community. Although, it is being drowned out at the moment Australia still believes in 'a fair go' for everyone. If reform to the Social Welfare System is not done with care and respect we will create such an under-class in Australian society that it will be irrecoverable.
- This report cannot be discussed in isolation from the recent federal budget; the collective impact of these initiatives is frightening. Colony 47 does not support Income Management, Medicare co-payments, and removal of the welfare safety net for 6 months at a time for jobseekers. These are unacceptable and will create even greater social and health problems in Australian society.
- Tasmanian will be disproportionately impacted by reforms to the Social Welfare system. We have a higher proportion of our population that rely on the welfare system as their primary source of income in an economy that is re-structuring and experiencing only limited growth

### **Income Management**

Income Management is not a solution, or a mechanism to building community capacity. Instead of income management Colony 47 recommends that the government support the following 2 initiatives that promote choice and autonomy.

**1. Mutual Obligation:** Colony 47 provides Emergency Relief to the people we support through our housing services. However one of the conditions of receiving this funding is that the people being assisted must have a case-manager who is working with them on financial sustainability. This is a highly effective model of providing income management in a supportive, empowering and therefore dignified manner. In order to receive assistance there is a mutual exchange involved; the person accepts assistance but develops skills to improve their autonomy through an opt-in mechanism. People are treated with respect and are given choices but they also have a responsibility to help themselves toward a more sustainable financial future.

**2. Financial Counseling:** -Advice, advocacy and training for people in financial hardship: This program aims to improve the ability for clients to make informed decisions on how to resolve their current financial issues and manage their financial affairs in the future. The main concerns for participants are debt resulting from bills and hire-purchase agreements as well as relationship breakdowns. The emphasis of the program is to build people's capacity to make financially sustainable decisions for themselves and their families.

### **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?

## 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?

## 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 resilience is enhanced by giving people more meaningful choice over their lives. Solutions must be delivered through a place-based approach with brokers bringing business, community, government and the community service sector together for a common goal. The form of these solutions will be unique to the demographics and circumstances of each community