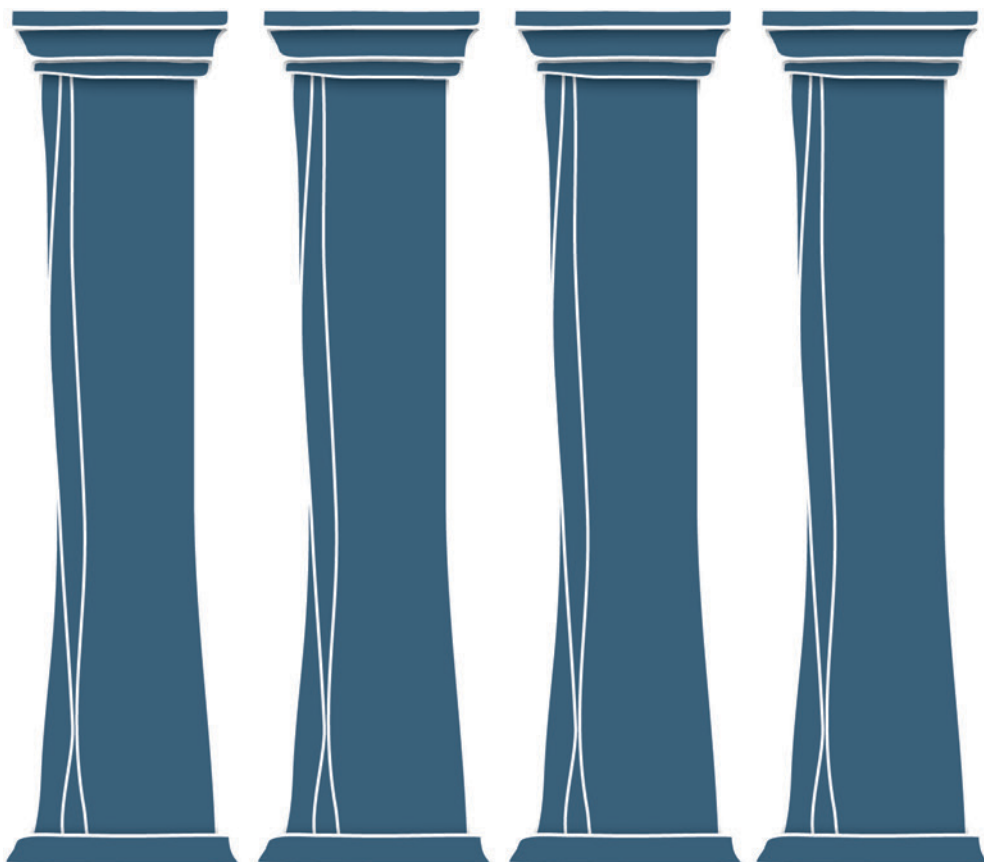




A New System for Better Employment and Social Outcomes

An easy to read summary of the Final Report
from the Reference Group on Welfare Reform to the
Minister for Social Services



How to use this document



This information is written in an easy to read way.

We use pictures to explain some ideas.

The Final Report has been written by 3 people:

- Mr Patrick McClure
- Ms Sally Sinclair
- Mr Wesley Aird.

Together they make up the Reference Group on Welfare Reform.

In the Final Report, the word 'we' means the Reference Group.



Some words are written in **bold**. We explain what these words mean. There is a list of these words on page 34.



You can ask for help to read this document.

A friend, family member or support person may be able to help you.



This Easy Read document is a summary of our full report.



You can find the full report on the website at

www.dss.gov.au/welfarereform

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What is this document about?



This document is about our ideas for changing the **welfare system** in Australia.



The welfare system is the way that the Government supports people who cannot support themselves.

This might include:



- people who are looking for work



- people with disability



- families and young people



- older people who have finished working.



The welfare system also provides services to help people, such as helping them to find a job.



Welfare payments are also sometimes called income support.



We believe that the welfare system today is too complicated and no longer suits the needs of the community.



We want to reduce the amount of people who rely on income support for long periods of time.



Importantly, we want to help people who can work get work.



This report summarises our ideas for how we think the welfare system can be improved.

We call these **recommendations**.



The Government will need time to think about our recommendations before they make any changes to the welfare system.

Why does the welfare system need to change?



We think that the welfare system should continue to support people while encouraging them to work as much as they can.



In the current system, not enough people are supported to work and be **self-reliant**.

Being self-reliant is being able to do things for yourself with your own money.



The current system does not give enough help to the people who are at risk of relying on income support for too long.



We think the system should focus on **early intervention**.

Early intervention is when there are supports in place to help people from an early stage so they do not have problems later on.



The system should also help people when they transition from income support to work.

It is too complicated

20 

At the moment, there are around 20 types of income support payments and 55 **supplementary payments**.

55 

Supplementary payments are extra payments you might receive from the Government if you need more help.

For example, with paying your rent.



Because there are so many different types of payment, it can be hard for people to know which payment is right for them.

It is not well organised



Over time, the welfare system has changed and become complicated.



For example, people who have the same living costs and ability to work might receive different financial support.



We are concerned that this discourages people from looking for work. Instead, many people end up relying on income support for long periods of time.

Working can be good for you



Working can be good for your health and wellbeing.



When children grow up with parents who are working, they are healthier, happier and have a better education compared to families where the parents aren't working.



Work is also good for the community because it supports financial growth and reduces the cost of income support payments.

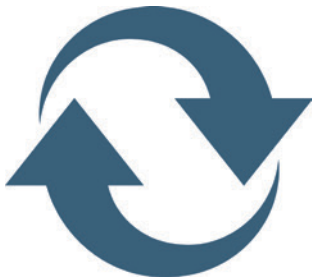
We need to be prepared for the future



The **economy** is very important to our Australian way of life.



The economy is the way that Governments, businesses and the community work together, make money and provide jobs and services.



The economy is always changing.



As a result, the jobs and skills that are needed in Australia in the future will also change.

The welfare system needs to be able to handle any economic and social challenges that will come from these changes.

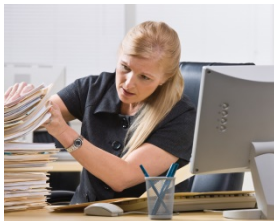
Some of these changes include:



- changes to industries such as the mining and the services sector



- people gaining more skills



- many people getting older

- more women and older people working



- more people working part-time or in casual jobs.

Important changes in your life can affect your work



We know that there can be important changes in people's lives, such as moving house, having children or losing a job.

These changes can affect their income.

There are certain risks that can make these changes harder to manage. These can be:



- low levels of education or skills



- homelessness



- disability, illness or mental health conditions



- living in rural or remote areas



- not being a part of the community



- being a carer



- having unstable or casual work.



We believe that the system needs to provide more help when people are going through big changes in their lives.

The changes we are suggesting



We should all work together to make the system better.

We think the welfare system needs to:



- be simpler and easier to use



- strengthen the skills and abilities of families and individuals



- engage with employers



- support communities to be strong and happy places to live.



We call these important ideas the 'pillars of reform'.

We explain each of the pillars in more detail on the following pages.

A simpler and more sustainable payments system



We'd like to see the welfare system focus more on work.



We think that the welfare system should help people get work.



It should also support people who can't work.

There should be 5 main payments:

1. Tiered Working Age Payment

A payment for adults who are expected to work now or in the future.



There are 3 tiers in this payment:

Upper tier: For people with disability who can work for 8-14 hours a week.

Middle Tier: For people with disability, and parents caring for dependent children or young people under the age of 22, who can work for 15-29 hours a week.

Foundation Tier: For people with full capacity to work or study.



The payment that a person gets will be based on how much work they can do.



2. Supported Living Pension

A pension for people over the age of 22 who cannot work for at least 5 years because of a disability, illness or mental health condition.

This pension is for people who can work less than 8 hours per week.



3. Child and Youth Payment

A payment for parents with dependent children and dependent young people under the age of 22.



4. Carer Payment

A payment for people over the age of 22 who provide constant care for someone with a disability or an elderly person.



5. Age Pension

For people over the Age Pension age.

Supplement payments and concession cards



We think there should be fewer supplementary payments.



Concession cards should still be available because they allow people access to health services and other goods and services.

The new supplementary payments should be:



Housing

To help people pay their rent.



Child and Family

To help families with the extra cost of raising children.



Education

To help with the extra costs of children and young people who need to live away from home for study.



Carer and Disability

To help people who provide full time care for children or adults who have a disability or who are elderly and frail.

Fairer rates and changing costs



We'd like to make the rates of income support similar across the different types of payments listed above.



However, we know that some people need more support than others. For example, people with disability or parents with young children.



We also understand that the cost of living increases over time.



We think that payments should be reviewed regularly against the cost of living.

These reviews should happen at least every 4 years.

Helping people move from income support to work



Some people will need support when they move from income support to work.



There should be a Passport to Work.

This will be a set of guidelines for each person that will explain the benefits of working and what their options are if the job ends or the hours are reduced.

We also want make sure that only people who really need support are receiving welfare payments.

This will be done through **means testing**.



Means testing is when the Government assesses a family or individual to see if they would be able to live comfortably with the money they earn or the assets they own, or if they will need support from the Government.

We think the means test should help:



- make sure that only people who really need help will receive support
- highlight the benefits of working and encourage people to work
- make sure that people who have similar living costs will receive similar levels of support.

Switching to a new welfare system



As we move to a new system, we want to make sure that people do not receive less support.



We think the technology used to manage welfare payments could be improved.



New technology would allow the Government to manage welfare payments better and make it easier for people to use.



This change will have to be rolled out in 2 stages.

We will introduce some of the payments first. Once everyone has got used to these payments, we will introduce the rest.



Strengthening families and individuals



We think it's important for the welfare system to support families and individuals to live a better life.



We want the welfare system to help people get jobs, and to help them take part in the Australian community.

Gaining the right skills and support



There are supports and services available to people who would like to build their skills.

There are 3 main skills that people need to find work:



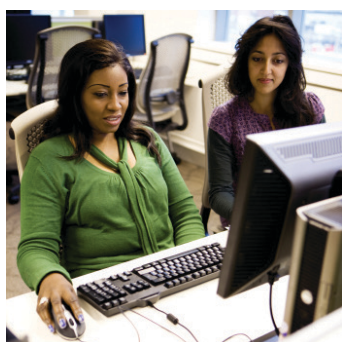
- skills that are specific to the area of work they are interested in
- skills in reading, writing and maths
- skills that show they can work well with other people and get work done.



It is also important for people to know how they should spend their money.



We'd like to encourage parents and families to gain the skills, and get the support they need, to find and keep good jobs.



We think families and the community should encourage young people to finish Year 12 at school or go on to university, college or TAFE.

This will help them to get good jobs later on.



We'd also like the welfare system to offer the right support to people with complex needs, such as people with mental health conditions.

The Government should provide funding for:



- people to develop the skills needed for finding work



- services that help people develop financial skills and understanding



- child care and other services to parents so they can find work or study more



- services to help people with mental health conditions who have the capacity to work. These services will help them move into work.



We want to help people who may rely on income support for long periods of time.



We think that, if we do this early, it will cost less over time.



We will do this by working out how much money will be received over a person's life, based on such things like their:

- sex
- age
- disability
- occupation
- income.



When we know these things, we can help people to get extra help early on.

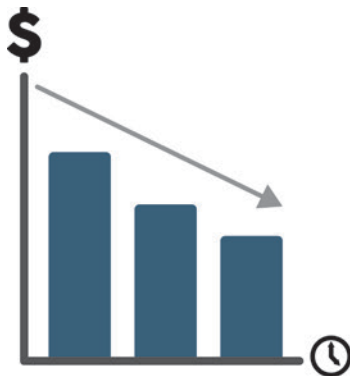


We will also design new, local services and supports for those people at risk.

This support might include help to find work.



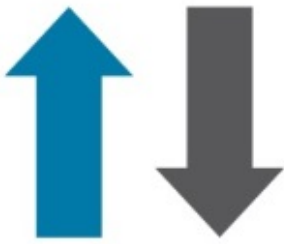
We will regularly check up on how services and supports are working, and stop those that don't work. We will give money to new and better services and supports.



Doing this will help the government to reduce how much money is spent on welfare.

It will help people to be on welfare for less time and to get into work.

Working together



For the welfare system to work properly, it has to be a two-way street.



Both the people who run the welfare system, and the people who use the welfare system, have to put in effort and work together.

We call this **mutual obligation**.



Engaging with employers



Without employers, there wouldn't be any jobs.



The job market has changed over the last few years:

- there are more jobs that require higher skills
- more people work part time and casually
- work places are becoming more flexible.



Training and education have become important to give people the best chance at getting a job.



We are expecting there to be changes in the jobs that are available in the future.



Understanding what types of jobs will be available in the future will help people plan for the kind of skills they might need to find work.



Lots of employers are now employing people with disability. They understand the benefit of employing people with different backgrounds and abilities.

Support for employers



Employers will need support to help train and employ people with disability or mental health conditions.

Employers need assistance in providing resources to help guide young people when they move from school to work.



We think there should be more support services for employers and jobseekers with disability or mental health conditions.

Our plan for people with disability and mental health conditions



We think that more can be done to encourage people with disability and mental health conditions to join the workforce.



We think there should be a Jobs Plan that has:



- support services that connect employment services with mental health services



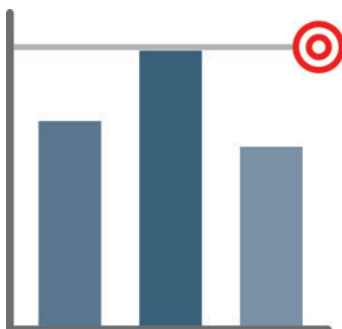
- a campaign to promote awareness and educate employers about the benefits of working with people with disability and mental health conditions



- a group of leaders in the disability sector, business and Government who will plan the best ways to increase the employment of people with disability and mental illness.



- awards for employers who show good practice when employing people with disability and mental health conditions



- setting targets for Government employers to encourage them to hire people with disability and mental health conditions in lots of different areas



- encouraging more Governments and businesses to use the services of organisations that employ people with disability and mental health conditions



- a promise from the Government and employers to people with disability to be fair and honest



- improved **wage subsidy schemes**, where the Government provides employers with extra financial support to help with wages for people they employ with disability and mental health conditions.



Supporting communities to be strong and happy



We believe that a good social support system and a strong community can help jobseekers achieve better results when looking for work.



We believe that if the community, businesses and the Government work together, great things can be achieved.



We want to make it easier for people to help the community through **philanthropy**.

This is when people donate large amounts of money to a good cause that they really care about.

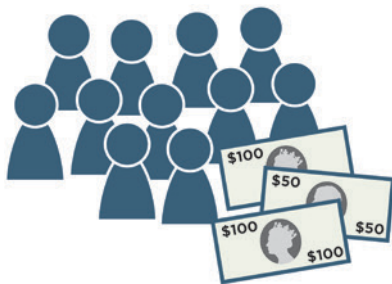


We would like there to be more volunteering in the community.

This is when people work without getting paid and, by doing this, they help their community.



We think there should be awards every year to celebrate achievements made in the community, by businesses and by the Government.



We want to develop a long term plan that will ensure people understand the benefit of investing in the community.



We also think the Government should work with the community and businesses on planning financial investments.

We think that some investments can be used to solve social problems.

Role of businesses



Businesses are good for the communities that they operate in because they provide work and create revenue for the Government.



We think businesses should practice **Corporate Social Responsibility** (CSR). This is the idea that businesses operate in a way that supports people, the community and the environment.



Microfinance is a way of accessing financial services, such as loans, without the bank.



The Government should provide funding for programs and training that allow people to set up micro businesses and manage them effectively.



The Government should also promote the value of **Mutuals** and **Co-ops** to the community.

These are organisations and businesses that are owned and operated at a local level.

Role of Government



The Government plays an important role in building communities at all levels:

- local
- state and territory
- Federal.



They should understand that local communities know what is best for them and what is needed to help them grow.



The Government, at all levels, can contribute more by providing financial support to local communities.



The Government should engage with local communities. When it does this, it can help each community make plans that suit that area, and the people who live there.

This is called co-design.

Role of technology



Access to information and communication technology is an important part of being able to participate in the workforce.



We think the Government and business should make sure that people have access to technology.



We also think there should be access to proper tools, advice and training in using technologies for people who might not have technology skills.



For example, there should be a focus on ensuring that people with disability and mental health conditions have access to online support and job services.

Word list



Corporate Social Responsibility (CSR)

The idea that businesses operate in a way that is fair and right to people and the environment.



Early intervention

Supports to help people quickly so their problems don't get worse.



Economy

The economy is the way that Governments, businesses and the community work together, make money and provide jobs and services.



Means testing

When the Government assesses a family or individual to see if they would be able to live comfortably with the money they earn or if they will need support from the Government



Microfinance

A way of accessing financial services, such as loans, without the bank.



Mutual obligation

When both the people who run the welfare system, and the people who use the welfare system, have to put in effort and work together.



Philanthropy

When people donate large amounts of money to a good cause that they really care about.



Recommendations

Suggestions we make about things the Government should think about or change.



Self-reliant

Being able to do things for yourself with your own money.



Supplementary payment

Extra payments you might receive from the Government if you need more help.



Wage subsidy scheme

When the Government provides employers with extra financial support to help with wages for people with disability.



Welfare System

The way that the Government makes payments to people who are in need of financial support

More information



www.dss.gov.au/welfarereform

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