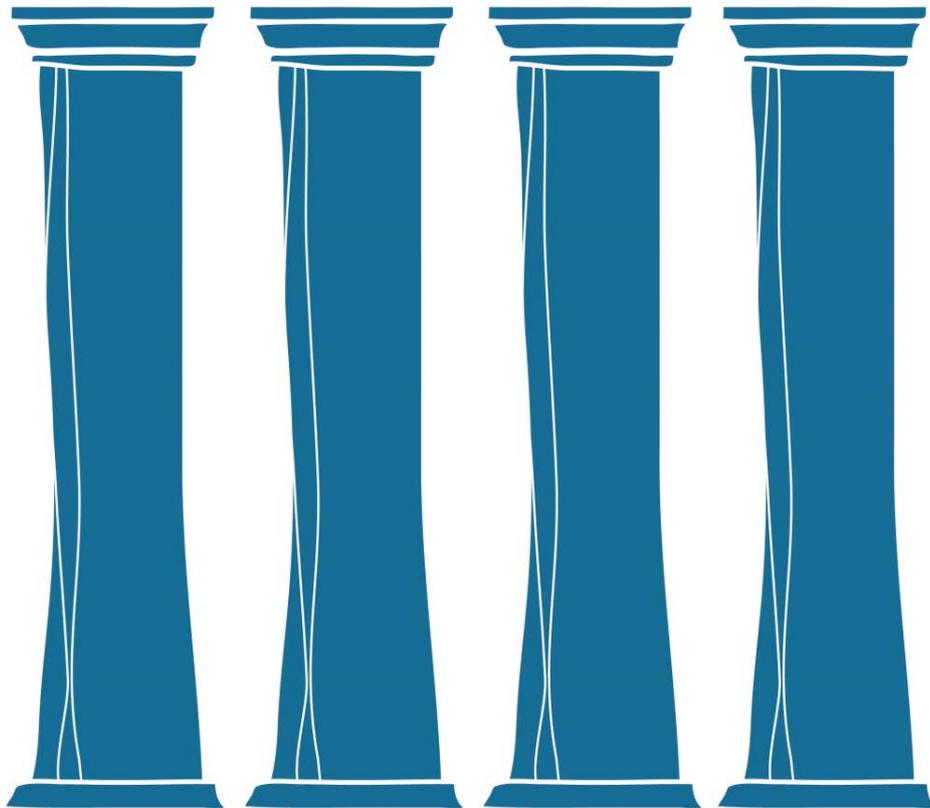




A New System for Better Employment and Social Outcomes

An easy to read summary of the first 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.



Some words are written in **bold**. We explain what these words mean. There is a list of these words on page 35.



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 makes payments to people who are in need of financial support.

This might include:



- people who are looking for work



- people with disability



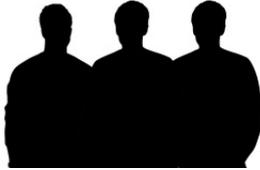
- families and young people



- older people who have finished working.



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



This document has been written by the **Reference Group**. We are the 3 people who have the job of reviewing the welfare system.

Our names are:

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



We've included some ideas for how we think the welfare system can be improved. These are just suggestions at the moment.



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



We are keen to know what you think. The instructions for telling us what you think are on page 33.



Throughout this document, we've also included some questions you may like to think about.



You can tell us your answers to our questions, or you can come up with other ideas.

Why are we reviewing the welfare system?



The welfare system supports a lot of people in the Australian community.

\$100 billion

In 2012-2013, welfare payments cost more than \$100 billion.



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

We know that, if people use the welfare system for a long time, this can sometimes lead to:



- poor health



- low self-esteem



- feelings of being left out.



This can also cause problems for children.

Our research shows that some children grow up in families that use the welfare system for a long time.



This can have a bad results for their:

- education
- chances of getting a good job in the future.



On the other hand, we know that children who grow up in households with parents who work get much better results.



Over time, the welfare system has become complicated.



We think that the welfare system can be a lot simpler.



Our community is changing.

We need a system that is simple and flexible enough to stay up to date with what people want and need today.



For example, in our community today many more women work. And many more people work part-time.

We think that the welfare system should also work together with other types of support, including:



- child care



- drug and alcohol services



- employment services



- homelessness services



- housing assistance



- services for mental health conditions.

We also think the welfare system needs to change because:



- The **National Disability Insurance Scheme** (NDIS) has started. This is a new way of providing care and support for people with disability in Australia.



- The way we support new parents is changing.



- New technologies are becoming available all the time.



The welfare system should also offer more support to people with disability or mental health conditions who are looking for a job.

The changes we are suggesting

We think the welfare system needs to:



- be simpler and easier to use, now and in the future



- strengthen families and individuals

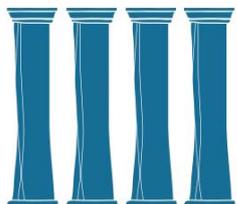


- engage with employers



- support communities.

Pillars of reform



We call these important ideas the 'pillars of reform'. We explain each of them in more detail on the following pages.



A simpler and more sustainable payments system



We think the welfare system should:

- be easy to use
- be easy to understand
- work well, both now and in the future.



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



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



It should support people who can't work.



And it should encourage people to learn and develop their skills.

One idea for simplifying the welfare system is to reduce the number and type of payments.

We explain the 4 types of payment we are suggesting on the following page.



1. **Working Age Payment** – this payment would be for all people of working age, including people looking for work, parents and carers.



This payment would be designed to encourage people into work, and to support people according to their circumstances.



It would be adjusted, depending on how much work each person can do. For example, some people with disability can work some of the time, or in the future.

And some parents and carers can work too.



2. **Disability Support Pension** – this payment is for people who have a permanent disability and cannot work.



3. **Child Payment** – this payment would be for families with children and teenagers. We think that a number of current payments be combined into 1 payment.



4. **Age Pension** – this payment is for older people who are no longer working.

Supplements



In the current system, there are also a range of supplements.



An example of a supplement is the Telephone Allowance. This is paid in addition to other payments.

Supplements



We'd like to reduce the number of supplements. Instead, we'd like to include supplements in the types of payment listed above wherever possible.

Fairer rates



We'd like to make the rates of pay similar across the different types of payment listed above.



However, we know that some people need more support than others.



For example, people with disability and single parents may need more support than students or young, single adults who are looking for work.



The rates for single people would consider the cost of living and the cost of looking for work.



The rates for people with children would take into account the cost of looking after children.



For example, single parents may need more support than families with two parents.



And the amount may need to change as children get older and continue to need support from their parents.

Adjusting payments over time



In Australia, our way of life is improving all the time.



But these changes mean that some things get more expensive.

Cost of living



It's important that the welfare system keeps up with the real cost of living.



We think that payments need to be adjusted over time, and that the government needs to plan for this cost.

Support for families and young people



We think the welfare system could be simpler and fairer for families.



We understand that it can cost more to raise children as they get older.



We think the welfare system should support young people as they get older and become independent.



We also need to look at ways to help young people when they grow up and start using the welfare system on their own.



The system should encourage them to get a good education and a good job.

Rent assistance



Rent assistance is money to help people pay their rent.



We'd like to see rent assistance become simpler and fairer.



We think that the amount of rent assistance should be reviewed.



At the moment, there are different types of rent assistance for people who live in public housing and those who live in private housing.



We think these rates – and the way the payments are made – should be the same.



We also think that rent assistance should consider the role of parents who are supporting young people as they grow up and leave school.

Rewards for working



We think that people should be rewarded for going to work.



Lots of changes could be made to the welfare system to make improvements for people who get work.



We think there could be better ways of testing how much money people are earning, and how many **assets** people have.



Assets include things like shares, property and money in the bank.



And we think that some changes could be made to the way the tax system and the welfare system work together.

This would make it easier for people to report their income.



Questions to think about – Pillar 1

- How can we make the system simpler?
- Should everyone of working age receive the same payment?
Or should there be different payments for people who can't work?
- How can we simplify supplements?
- What changes should be made first? And how quickly should we make the changes?
- How should we work out the rates of payment?
- How should we adjust payments to meet the cost of living over time?
- How can we support families who are raising children?

- When should young people start using the welfare system on their own, rather than through their parents?
- How can we improve rent assistance?
- Should there be differences in the way we provide rent assistance to people in public and private housing?
- How can we reward people for working?
- How much should someone be earning before their income support payments stop?
- How can we improve the way we check how much people are earning?
- How can we improve the way we check how many assets someone has?



Strengthening families and individuals

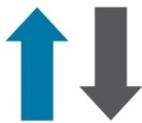


We think that an essential part of improving the welfare system is to make sure that people and families have the skills they need to get by in everyday life.



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

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**.



Even if people aren't working at the moment, we want to encourage them to plan for the future.



For example, parents of young children may like to return to work when their children get older.



We understand that parents who are not working may need support to build their skills and look after their children.



Unfortunately, some people choose not to work together.



In these circumstances, there need to be consequences.



However, we think that the needs of children should be considered.



The long term goal of mutual obligation is to help people into work.

Income management



Sometimes, helping people manage the payments they receive can support people to get back into work or study.

We call this **income management**, and it is a way of helping people become independent.

We think some people can benefit from income management, including;



- some people who are looking for work



- young people who are not working or studying.

Helping people sooner rather than later



Sometimes, people can make big improvements in their life if they get the right support at the right time.



Supporting people sooner rather than later can help people become more independent over time.



We'd also like to see improvements in the way the welfare system helps children who are at risk or in need of extra support.

Supporting families and young people



Encouraging young people to finish Year 12 or go on to college or TAFE will help them to get good jobs later on.



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



This might include supporting people with mental health conditions to take part in the community and to find work.

Making sure the support is working well



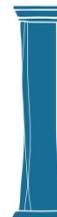
We think that the government should regularly check to make sure that the welfare system is working well.



Questions to think about – Pillar 2

- How can we make sure that we are encouraging people to work while still respecting their individual circumstances?
- How can we support carers to get jobs if they want to?
- How can we make sure people who are looking for work put in a lot of effort and work with the welfare system?
- When should income management be used?
- How can we best support children at risk?
- How can we support young people who are looking for work?
- How can we improve the skills young people have?
- How can we best support families?

- How can we help people with complex needs – such as people with disability and people with mental health conditions – to find work and take part in our community?
- How can we help people develop their skills?



Engaging with employers



Without employers, there wouldn't be any jobs. Employers are an essential part of our economy.

We'd like the welfare system to work more closely with employers.



More employers could be encouraged to think about their level of **social responsibility**.

This means that the employers care about our society and work towards making our community better.



We think it would be good if more employers could offer more jobs to people with disability or mental health conditions.



Another great way of working is called **social enterprise**. This is when businesses are based on ideas that benefit the community.

We'd like the welfare system to support and encourage social enterprise.



Employers could receive more help to find workers with the skills that they need.



And people who are looking for a job will benefit from developing the skills employers want.



Training should be based on what employers want and need.



And programs can be designed to support people with mental health conditions find and keep work.



There are also services to help people find work. Together, they are called Job Services Australia.



We'd like Job Services Australia to support more employers and job seekers.



Questions to think about – Pillar 3

- How can we encourage employers to hire people with disability or mental health conditions?
- How can we encourage social enterprises?
- How can we help young people and other people looking for work?
- How can we improve training and help people get the skills employers want?
- How can we support people with mental health conditions?
- What things can we do to support employers?
- How can we improve job services to make them better for employers and job seekers?



Building strong communities



Vibrant communities are places where people live and work together.

To build a vibrant community, you need input from all sorts of people, including:



- individuals



- families



- groups



- businesses



- government.



If all these people work together, great things can be achieved.



For example, in many communities, a lot of work is done by **volunteers**. These people work without getting paid and, by doing this, they help their community.



We know that connecting people with each other helps to build strong communities.

The Australian Government can help communities by:



- helping people find jobs



- helping people learn and gain skills



- supporting families



- encouraging children to attend school.



The government must regularly check to make sure that the work they are doing to build and connect communities is going well.



Local businesses also have an important role to play. They can create jobs and help bring money into communities.



Another important part of connecting communities is making sure people have access to technology.



We'd like the welfare system to support people who don't have good access to the internet or good computer skills, especially those people who are looking for jobs.



Strong communities play an essential role when there is an emergency, like a fire or a flood.

We would like to help all communities to be strong so they can bounce back when bad things happen.



Questions to think about – Pillar 4

- How can we encourage businesses and charity organisations to support our community?
- How can we encourage job seekers to take part in our community?
- Can the income management system be used to make communities stronger?
- How can we support small businesses?
- How can we improve access to technology, especially for job seekers?
- How can we help communities develop and grow?
- How can we help communities become stronger?
- How can we help communities create opportunities for jobs?

How to tell us what you think



We'd like to know what you think about the ideas we have shared in this document.

There are several ways to tell us what you think.



You can send us an email. Our email address is **welfarereview@dss.gov.au**



You can send us a letter. Our address is:

Welfare Review
c/- Welfare System Taskforce
Department of Social Services
PO Box 7576
Canberra Business Centre ACT 2610



You can visit our website at

www.dss.gov.au/welfarereform



On the website, there is a form that allows you to send us up to 500 words.

If you want to write more than that, we suggest that you send us a letter or email.



Your ideas can be long or short. It's a good idea to back up your ideas with examples or data.

What will we do with your ideas?



We will read your ideas and think about them. This will help us make our final report that we will give to the Government.



We will put your ideas on our website.



We might put your ideas in our final report.



This means that other people will be able to read your ideas.



If you don't want other people to read your ideas, you need to tell us.



Please send us an email and ask us to keep your ideas private.

Word list



Assets

Assets include things like shares, property and money in the bank.



Income management

Helping people manage the payments they receive.



Mutual obligation

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



National Disability Insurance Scheme

The NDIS is a new way of providing care and support for people with disability in Australia



Reference Group

The group of 3 people who are reviewing the welfare system.



Rent assistance

Money to help people pay their rent.



Social enterprise

Businesses that are based on ideas that benefit the community.



Social responsibility

This is when people care about our society and work to make our community better.

Supplements



Supplements

Payments that are made in addition to other payments.



Volunteers

People who work without getting paid because they want to help.



Welfare system

The way the government makes payments to people who are in need of financial support and services to help people, such as help to find a job.

Contact us



welfarereview@dss.gov.au



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www.dss.gov.au/welfarereform

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