**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?

The current welfare state necessitates an immense and expensive bureaucracy, it is prohibitively complicated for some of its intended beneficiaries to navigate, it puts bureaucrats in charge of the lives of the poor, it creates perverse incentives for people to avoid work and to remain poor, and it arbitrarily allows some people to fall through the cracks. A basic income would correct all of these problems. A basic income is simple to administer, treats all people equally, retains all rewards for hard work, savings, and entrepreneurship.

**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?

Any meaningful basic income figure must reflect a truly livable income for the locale in which it is instituted in a way that is indexed to its real economy, not to any arbitrarily-decided permanently static number which fails to be revisited and updated over time in any kind of logical or consistent manner.

**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?

Set the basic income level as a fixed percentage of median income or GDP per capita, so that it is automatically updated as the economy grows.

**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?

Basic income is to be paid to all citizens, a reduced rate for under 18's that goes into a trust fund for when they become an adult.

Parents will be paid an extra amount on top of their basic income to supplement the raising of a child.

**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?

Rent assistance should be abolished and instead included at a fixed rate for everyone in a basic income. This will reduce paperwork and combat high prices set by land lords specifically designed to take advantage of the maximum rent assistance payment rates.

**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?

Basic Income eliminates the need for means testing as every single Australian citizen would receive the payment.

**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?

Under current systems, when someone gets a job they lose most of their welfare payments. This means they can go from not working at all to working a full week, but not earn much more than they did previously, which acts as

a disincentive to work. Under basic income, when people got a job they would retain the same basic income payment, with their salary added to it, so this disincentive no longer exists.

**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?

A basic income will allow all Children to access a trust fund upon turning 18, allowing them to enter the work force as they will have money to purchase a vehicle, pursue further training and live in stable and safe housing.

**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?

Earn or learn is not a responsible step in enhancing the life of young Australians, many will fall through the cracks young Australians do not have 6 months worth of savings to pay for their rent, bills and food while they search for employment. A basic income does not require them to search for jobs that they do not want or are not suited for.

**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?

Remove the mandatory job searching requirements for all job seekers and allow the services to exist for those that need them most or actively seek help from the organisations.

**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?

The current systems are in place are an effective method of measuring individual satisfaction of programs.

**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?

Some people argue that, with the development of new automation technology and the increase in the labour force due to globalisation, rates of unemployment in developed countries are likely to stay high and increase in coming years. This would impose a significant increased cost on current schemes, but as spending from the basic income would not increase, this system would be more able to cope with the change.

**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?

Increased numbers of people in jobs they enjoy. As people will not be forced to take on a job, they will be more able to find a job that they enjoy (or that pays well enough to offset their lack of enjoyment). Having people in jobs that suit them better will help to improve mental health, as well as leading to an improved quality of goods and services.

**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?

Increased bargaining power for workers. As workers will be able to afford to refuse a job if it is low-paid or has poor conditions, firms will be forced to improve the employment conditions and wages for their workers. This will happen as a natural result of negotiation between firms and workers, and will not require further government intervention.

**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?

Increased charitable work. Much work in the charitable sector and other vocations (e.g. open-source programming or the arts) is socially beneficial but not reliably profitable, so people have to do it in their spare time, along with a traditional job. A basic income would allow these people to spend more time on beneficial but unprofitable work, which would benefit society as a whole.

**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?

A reduction in government bureaucracy. A lot of government workers are required to ensure that welfare recipients are not claiming their benefits fraudulently, and administer the complicated system of welfare payments and tax credits. A basic income would hugely simplify the welfare system by replacing most of these benefits, which would reduce its administrative cost significantly.

**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?

Increased numbers of small businesses. Many people may currently be discouraged from leaving their job to start their own business, as if the venture fails they will have no source of income. The basic income would provide income to these people, so more people would feel able to start businesses, which could only increase innovation and competition in the economy.

**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?

Providing job seekers with free access to job seeking websites and sources via telecommunications and internet data on smart phones via government welfare apps can improve accessibility to these services.

**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?

A government guarantee of a minimum living standard. Basic income proposals recognise that people should be entitled to a certain basic standard of living, regardless of whether the prevailing economic conditions allow them to achieve this standard through the labour market.