

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?

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?

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?

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?

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?

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

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?

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?

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?

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

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?

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?

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?

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?

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?



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?

How can the income management model be developed to build community capacity?

I am a graduating master of social work student who has had the opportunity to research the effects of compulsory income management on individuals and the community. I am particularly interested in this area because I have seen firsthand the negative impacts it has had on the communities and individuals I work with and as proposed in the McClure interim report it is set to be expanded.

Income management as part of a package of holistic support services has a role to play in assisting vulnerable people, but it must be voluntary to affect any change in an individual or build community capacity. Community capacity building as termed by Hounslow (2002) emphasises participation and collaboration. It ascribes to principles such as:

- Solutions are best solved by those closest to the problem
- Individuals, organisations and communities are best able to work together to develop positive change in their local community
- Policies which are paternalistic need to be challenged

Compulsory income management conflicts with these well founded and widely accepted principles. Communities affected by compulsory income management have not been consulted on how this policy will impact their community, nor asked if they need this policy or if it will necessarily help in building capacity in their community (The Australian Council of Social Services, 2010). Without consultation, models such as these will not work effectively in communities.

Alongside this problem of non-existent community engagement there is also limited research that compulsory income management has actually helped communities address social problems and measuring the effectiveness of these kinds of policies is difficult for many reasons (Buckmaster, Ey & Klapdor, 2012; The Australian Government National Audit Office, 2013). Critical research issues such as flaws in research methodology, limited quantitative data, inconclusive results and a lack of comparison or baseline data have been widely reported. The government has committed to evidence based welfare policy reform, expanding this policy conflicts with this commitment. Expanding welfare policy needs to be based on solid evidence and measured effectively to enact real change in our communities. The policy of income management has been credited by those who voluntarily engage in it as positively impacting their lives. In recognition of the positive aspects of this policy and the above issues I recommend that:

- Compulsory income management be made voluntary
- Governments consult with communities on how voluntary income management could build their community's capacity to address social issues
- Governments engage in rigorous research and sound evaluation methods to measure the success of income management in communities
- Support services and key stakeholders be engaged in developing voluntary income management tools to assist vulnerable people

Voluntary income management has been shown to positively impact on people's lives; compulsory income management has been shown to be detrimental to the individuals and communities it is imposed on. Voluntary income management alongside community engagement, key stakeholder consultation and holistic service provision will provide the government a real opportunity to enact social change in the community.

References

Buckmaster, L., Ey, C., & Klapdor, M. (2012). *Income Management: An overview*. Retrieved from http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/1727168/upload_binary/1727168.pdf;fileType=application%2Fpdf

Hounslow, B. (2002). Community Capacity Building explained. *Stronger Families learning exchange bulletin*, 1, 20 – 22.

The Australian Council of Social Services. (2010) *Submission to Senate Community Affairs Legislation Committee: Inquiry into Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 and related bills*. Retrieved from http://acoss.org.au/images/uploads/ACOSS_Submission_on_Welfare_reform_and_RDA_bill_final.pdf

The Australian Government National Audit Office. (2013). *Administration of New Income Management in the Northern Territory*. Retrieved from <http://www.anao.gov.au/Publications/Audit-Reports/2012-2013/Administration-of-New-Income-Management-in-the-Northern-Territory/Audit-summary>

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?