# 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 Disability Support Pension (DSP) within Australia has experienced an increase in growth in the last 30 years, there are concerns that without reform this benefit will experience increased pressure of service users requiring payments (McVicar & Wilkins, 2013). Previous reforms from the government to tighten eligibility for the DSP which hoped to lower dependency on the DSP and to lower the numbers of service users on a DSP has seen little impact. There is also concern with the proposed changes by the government to increase the pension age for both men and women will add upward pressure to the DSP (McVicar & Wilkins, 2013). Recommendations within this submission focus upon the importance of early intervention with DSP service users which have shown reduction in numbers on the DSP pension and further aid in returning service users to work as oppose to changing the qualification process and forcing service users onto lower paid working pensions.*

*Saugeres (2011) identifies that those on a disability pension are often unable to enter full time employment due to their individual conditions that are sometimes episodic in nature, therefore only being able to enter into casual or part time employment options with the pension supplementing their income. Saugeres (2011) highlights the socially constructed terms of ‘dependency’ by service users on disability pensions have a negative influence on behaviour; the importance of identifying the socially constructed terms that are utilized with disability and that these terms influence the engagement and treatment of those on a DSP pensions. Therefore, it is important for the Government to consider that by forcing the disabled into a work tiered pension due to long term dependency they are being forced into new constraints and will be given a smaller welfare provision in the process (Saugeres, 2011 & Parliament of Australia, 2014). Humpage (2007) and Saugeres (2011) both identify that language and terms such as dependency, mutual obligation, self reliance and active citizens in society all impact negatively and enforce a medical model of disability, where the problem is established as being within the service user and that the service user is becoming reliant on a disability pension. These negative terms fail to challenge the obligations of the state and society in making changes in the way in which service users are approached and supported throughout their engagement with acquiring a DSP and within the welfare system. This research has raised concerns as within the McClure report suggestions are made that through medical interventions and disability employment services stereotypes of what people with a disability can achieve will diminish within society and greater confidence and skill acquisition will be acquired by service users under these new reforms; this suggestion by the McClure report is challenged by research on social constructs and language that has previously been highlighted by Humpage (2007) & Saugeres (2011) (Parliament of Australia, 2014).*

*Earlier reforms from Sweden, Netherlands and Britain have identified processes that have reduced the number of service users receiving DSP and the length of time that users remain on the DSP, these include the centralised involvement of rehabilitation and vocational experts early in the screening process of those service users requiring the DSP, assisting in work re-training for the service user and the employer, consistent annual evaluation and review of DSP service users to reassess returning to work or rehabilitation towards work, employers working to create a rehabilitation plan for DSP workers, incentives for both individuals with disabilities to begin or return to work without the fear of losing their right to return to a DSP benefit in required (Burkhauser, Daly, McVicar & Wilkins, 2014). DSP reforms should aim to change the culture and social expectation of people with a disability by recognising modern notions of disability, utilise terminology and criteria that focus on a service users ability rather then incapacity therefore changing service users expectation of dependence on DSP and move them towards work through regular assessments and engagement. Burkhauser, Daly & Lucking (2013) highlighted the effectiveness of reforms in Netherlands and Sweden which aimed to curb unsustainable program growth by initiating early interventions which effectively changed the culture and social expectations for people who have disabilities on a DSP payment. This was achieved through early interventions that strengthened the incentives for individuals with disabilities to adapt and continue to work and improving the opportunities to do this, this involved regular evaluations with rehabilitation, counselling and assessment teams closer to the onset of an impairment to further increase the return to work, there was also an increased need for assessment, rehabilitation and employers to engage in developing a supportive environment for those returning to work (Burkhauser et.al 2013).*

*Recommendations for consideration by the Government include:*

* *The involvement of rehabilitation, counselling, assessment and employment support staff that are engaged with service users and employers and work with users to achieve involvement in the workplace.*
* *The importance and effectiveness of early intervention when service users begin on a Disability Support Pension and increased rescreening with holistic assessment process of service users on a DSP.*
* *The removal of language which not only impacts negatively but fosters stereotypes within society, instead focusing on the ability of the service user.*
* *The implementation of incentives for employers and DSP service users to return to work.*

*Reference List*

*Burkhauser, R., Daly, M., McVicar, D., & Wilkins, R. (2014). Disability benefit growth and disability reform in the US: lessons from other OECD nations. Journal of Labor Policy, 3 (4), 1-30.*

*Burkhauser, R., Daly, M., & Lucking, B. (2013). Is Australia One Recession Away from a Disability Blowout? Lessons from Other Organisation for Economic Co-operation and Development Countries.*

*Humpage, L. (2007). Models of Disability, Work and Welfare in Australia. Social Policy & Administration, 41 (3), 215-231.*

*McVicar, D., & Wilkins, R. (2013). Policy Forum: Disability Care and Support Explaining the Growth in the Number of Recipients of the Disability Support Pension in Australia. The Australian Economic Review, 46 (3), 345-356.*

*Saugeres, L. (2011). (Un)accommodating disabilities: housing, marginalization and dependency in Australia. Housing and the Built Environment, 26:1-15. doi:10.1007/s10901-010-9201-x.*