My name is Kerry Arch and I run a sole parent advocacy group – United Sole Parents of Australia. I welcome the Interim report made open for discussion by Mr Patrick McClure AO, Mr Wesley Aird and Ms Sally Sinclair, however, given the six week timeframe, I believe the committee doesn’t want a complete overview of public opinion. Being sole parents we are constantly time poor with responsibilities of childcare, child afterschool and weekend activities, work/study and house maintenance thus limiting our ability to effectively research and reply.

We believe the current Income Support system has some serious flaws as it provides an inadequate safety net for those that are vulnerable in our community. I am writing on behalf of the 2400 members that are currently in my group. The group is only 16 months old and growing daily.

We would like to see our Government address the negative impact that they are placing on our society and would encourage them to positively lead by empowering our nation as per evidence shown in Figure 1 (below) that the nation as a whole is reducing its dependency on welfare and is not becoming a welfare state. We need to be led by a Government that is proud of their country and its people and not afraid to build comradery.

Even the interim report’s author, Patrick McClure, acknowledges “people may not necessarily be better off” if the reforms are implemented as proposed. In this context it is concerning to see the financial imperatives of welfare reform overtake the potential individual and community capacity building and sustainability of a genuine social safety net that an open, consultative and people-centred approach could offer.

One of the central contentions of the report is that Australia’s welfare spending is expensive and unsustainable and that this is driving the need for the proposed reforms. The report states that in “2012–13, the Australian Government provided more than $110 billion in cash transfer payments”. Social Services Minister Kevin Andrews has repeatedly stated that the system is unsustainable, and some in the media have echoed these lines.
However the report itself notes: “the percentage of the working age population receiving income support peaked in 1997 at 24.9 per cent, before falling ... to 16.7 per cent in 2013” – *A new system for better employment and social outcomes*, Appendix G, pg. 162.

Figure 1: Percentage of working age (16–64 years) population receiving income support

“Payment reform should be based on key principles: payments should be based on need, no disadvantaged group should be worse off, the system should support employment participation and any participation requirements must be relevant, reasonable and backed by employment and other supports.”

**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

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?

Yes, they should, as they have no capacity to improve their situation. People with permanent impairment should not have to follow reporting requirements.

Base Allowance

Having a base allowance would be less costly to run and less confusing for those seeking welfare. We believe the base rate of this allowance should be the same rate as the tax free threshold being $18,200 pa ($700 fn).

Aged

The Aged supplement would then have an added $70 per fortnight so as not to disadvantage their existing rate (plus $70 Aged Pension Supplement and $15 energy supplement) – Base rate, plus aged supplement plus aged pension supplement = $850 per fortnight.

Sole Parents

The Sole Parent supplement would have an added $15 per fortnight so as not to disadvantage their existing rate (sole parent supplement). This payment should be paid until the sole parent’s youngest child is 18 or finished school (dependent child supplement). They should also have the Family Tax Benefit (A & B as a combined rate) supplement per extra child. This should be no less than the current A & B totals being received at this present time so as not to disadvantage – Base rate $700, plus sole parent supplement $15, plus $15 energy supplement and $25 per child = $755 (with one child) plus FTB A & B (existing rates).

Disabilities

The Disability Supplement would have an added $70 per fortnight so as not to disadvantage their existing rate ($70 Disability Pension and $70 Pension Supplement). Those with carer responsibilities or dependent children should have the increased amount as per sole parents (partnered parents) with Family Tax Benefit supplement per extra child. Base rate $700, plus $70 Disability Pension and $70 Pension supplement, $15 energy supplement, plus $25 per child = $880 (with one child) plus FTB A & B (existing rates).

Education Supplement

An approved student studying full time who are studying 50% study load or more would receive $65 a fortnight. Those earning 25% but less than 50% study load would receive $35 per fortnight. $1000
text book scholarship per semester for duration of study course. $500 for 25% but less than 50% study load per semester for duration of study course. Relocation scholarship as per following link. http://www.humanservices.gov.au/customer/services/centrelink/relocation-scholarship

All payments to be subjected to CPI indexation increases.

A system of top ups could bring benefits for some groups, however, those that might miss out i.e.: the 130,000 disabled people on Newstart which are not eligible for any disabled allowance due to eligibility criteria are still left with inadequate support. Care must be taken with denying disability supports to those that are not severely disabled as this could lead to extreme hardship and poverty.

An appropriate income (sickness supplement) could be given to those that require assistance for shorter periods and are not permanently disabled. This will give the recipient the ability to move in and out of work as needed. It will stop the fear of those with variant disabilities losing a supporting allowance if they are able to work for short periods. This should be the same rate as the Disability Supplement.

Those that do not have disabilities that are severe or not seen, should not be penalised by lack of support. There has been a lot of work done in the past few years to raise awareness of mental illness. Moving support from them could have devastating effects, this is why we believe these people should be moved onto a sickness supplement. The criteria needs to be set down to except and respect the medical practitioner that client has independently sought.

**Youth**

Youth allowance should be abolished as this is covered under dependent child supplement. Youth that are not living at home will receive base allowance of $700 fn. If the youth (still in full time education) moves into an external family, then their eligibility criteria will be set surrounding that family’s income status. If the youth (still in full time education) moves into a cohabitation situation, they should be eligible for the base allowance, however, if said youth moves into a relationship style living arrangement, then they both would move onto partnered allowance criteria.

**Earning threshold**

The allowable income threshold for all benefit recipients should be set at the $350 per fortnight, which is only $175 per week. This should be set across all base allowances to remove earning threshold discrimination.

**Concessions**

Pre-existing concessions should be kept to ease the living costs of high living costs.
Overview
We would hope that having a base allowance would minimise the stigma attached to those on welfare. However, the system should have adequate payments based on need. Previously the trend in moving people from one payment-scheme to another has involved reductions in payments, and a general tightening of eligibility-criteria.

Base allowance participation activity requirements
There should be an ability to apply for exceptions – If you have a short term incapacity then an exemption to the activity test should be applied. Attendance for job search requirements should be more flexible for those on base allowance. At the moment some people are having to report to job network agencies when they are on rostered shifts, which is clearly unreasonable.

Newstart is well known to be 40% below the poverty line. This needs to be raised to a standard that will provide adequate income support with the associated costs of housing, food and utilities that are constantly rising. We believe that the base allowance as we have stated above will address this need.

The interim report recognises the disadvantage experienced by sole parent families as their children grow older, with costs increasing and payments reduced. Child poverty in Australia is the fifth highest in the OECD with 286,000 children living in poverty in sole parent households. Increasing support for sole parents must be a high priority in this reform process. The implementation of sole parent supplement and family tax payment address these disadvantages.

All persons moving out of previously stable relationships (marriage/defacto) need financial support and referral for a period post separation of at least 36 months. This is an extremely stressful time and focus needs to be on regaining stability and mental health sorted. There should be an exemption from any job search requirements for a period of time.

Recipients with Drug/alcohol/violent prosecuted offences should be ordered to attend mandatory drug rehabilitation and education programs.

Those in full time education (any age) should be exempt from all activity requirements. Those studying part time studies should be on a sliding (flexible) scale of meeting activity requirements. If they are participating in work place activities this would also take into account activity requirements. The recipient’s case worker could work with the recipient into an appropriate level of required activities that both parties are in agreement of.
Incremental steps to a new architecture

Appointments
More flexibility, offsite appointments (neighbourhood house) at support centres would be less anxiety impactive. This will reduce the stigma attached to those seeking welfare as many have voiced that they feel like losers entering Centrelink offices. We believe being on benefits of any kind we need to empower not demonise people.

Appointments could be done over the phone. Cost of getting to Centrelink can be un-affordable for some people or burdensome on those with disabilities or carer responsibilities. This will reduce dehumanising Centrelink queues and free up staff members for those that need assistance the most.

Being herded like sheep for group appointments does nothing for a person’s self-esteem and totally inappropriate for those that are suffering already.

Job Network Agencies
Job seekers should have the choice to which job network agency they would like to attend.

As most recipients have computers and internet access at home, job seeking can be done when convenient for the recipient for those that choose this option. i.e. sole parents – after children have been put to bed. Flexibility of appointments should be granted to those with caring responsibilities.

Home visits for those with disabilities and carer needs could be an option for a more comprehensive service delivery.

Case Workers
Case workers need to be assigned, who are independent of Human services that link each genre of clients for their individual needs and circumstances. These case workers will then link the recipient to appropriate external supports to ensure they are able to continue to get their life back on track and even into work or study. Case workers should stay with the recipients throughout their pathway involvement.

Education
Education of all Certificates up to level IV should be funded by the government. Extra assistance should be given for those that are illiterate or with learning disabilities.

Phone calls
Free calls on mobile phones to case workers and government agencies for each recipient.
**Common approach to adjusting payments**

Adjusting payments for changes in costs of living and community living standards

Base rates and supplements should be adjusted with CPI rate increases each year. If there is a financial impact on our nation’s economy, or a natural disaster specific to a recipient’s area, a crisis supplement should be distributed to ensure living standards are maintained.

**Supporting families with the costs of children and young people to ensure they complete their education and transition to work**

By ensuring continuity of child on dependent supplement until child/ren reach independence.

Enforcement of child support payments will help sole parents be able to afford school necessities and transition for youth into work. Child Support payments should be continued until the child/ren are self-sufficient. With higher than ever youth unemployment it is not fair on the resident parent to be sole provider for studying/out of work (job seeker) youth.

Continuation of the School Kids Bonus will also help pay for school items, fees and activities.

Businesses should be encouraged to take on apprentices instead of 457 visa workers. It was reported this year that the amount of apprentices being taken on by employers is being reduced by almost the same amount of 457 visas being hired.

Businesses should be encouraged to hire out of work recipients with support from the government with a scaled supporting payment that reduces over a period of time. (Refer to Disability Employment Services – Supported Wage System).

Employment start up bonus for youth successfully completing year 12 or equivalent. This will be an encouragement for youth to continue until completion of high school. This allowance should have restrictions on what it can be used for. Examples of use: towards payment for a vehicle for work use/transport, travel vouchers, tools, employment entry expenses.

**Young people should be able to access income support in their own right**

When all other alternatives have been exhausted.

Some youth are forced to leave home due to domestic violence in various forms or unsuitable living conditions. They should be able to seek assistance at any age.
Investigation of circumstances and possible alternatives sought, need to be given before child/ren are able to access income support in their own right.

**Effective rent assistance**

Rent Assistance better targeting the needs of people in public or private rental housing

**Landlord/subsidiary rental scheme**

Encouragement for landlords to buy and participate in National Affordability Scheme.

Expanding Community Housing programs.

Rental assistance for public rentals could be on a sliding scale of assistance depending on retail price costs or wage earning taxable income. This will not only make living standards better for the recipient, landlords will be less likely to discriminate against those on welfare payments.

There are currently less than 1% of houses available that are affordable for those on welfare payments. [http://www.anglicare.asn.au/site/rental_affordability_snapshot.php](http://www.anglicare.asn.au/site/rental_affordability_snapshot.php)

Assistance should be given for those with mortgages on post separation or major life events for 36 months and extended on reviewed circumstances.

Increase subsidiaries to landlords to renovate building structure in houses to accommodate low rental accommodation – acknowledging impact assessment standards are taken and reviewed as per boarding housing recommendation.

This should also be considered with the Federal/State housing review later this year to ensure Rent Assistance is designed in a way which supports affordability and sustainability over the long-term as part of a comprehensive national affordable housing strategy.

**Rewards for work and targeting assistance to need**

**Means testing be designed to allow an appropriate reward for work**

Currently sole parents on Parenting Payment have income limits of $176.60 per fortnight (Plus $24.60 for each additional child) which reduces payment by 40 cents in the dollar. Those on Newstart have income limits of only $62 per fortnight which reduces by 40 cents in the dollar.

Maximum income for those on Parenting Payment to receive part payments are $1,959.60 per fortnight (Plus $24.60 for each additional child) and only $1,440.25 for those on Newstart.

Parents are penalised as soon as their youngest child turns eight by being moved onto Newstart. Children are more expensive as they grow older yet those with older children are expected to have
less support. Sole parents are expected to return to work when their youngest turns eight yet those that are working are penalised the most.

Those with children regardless of age should have the same income taper rate before being penalised. Refer previous recommendation as stated in the simpler architecture - Earning Threshold of $415 per fortnight (as based on the Austudy earning threshold, so as not to discriminate any across all sectors of income earning age groups). Those on single income households should have tiered rates per dollar on sliding scale increasing with higher taxable income earned.

This will be financially beneficial for welfare recipients (sole parents) and also encourage them to return to work.

**Income support level**

$55,000 per annum plus $6500 per dependent.

**Simpler, more consistent approach to means testing income and assets**

If income support level is not agreed upon as above, then the minimum income allowable limit should be increased to include work related expenses that cannot be otherwise claimed due to earnings being below the income tax threshold. These work related expenses costings could be reimbursed to the client using the working credits platform. A hard copy or website submission form could be completed with receipts or log books as evidence to support work related claims. This initiative could be included in a job role of the aforementioned case workers, either at mobile visits, or by the client if they have access to a computer or at the Centrelink agency.

When income earners become redundant or cease employment for reasons beyond their control, payouts from the work place should not cease or be reduced in this time as this is monies that could be used to create financial stability. As this money has been earned in work entitlements and appropriately taxed, then it should not be subject to any encumbrance, meaning clients should have a freedom to direct these payments as they see fit eg credit debt or home loan debt.

In regards to aged clients, they should not be disadvantaged by their residential choices that they made 30+ years ago and expected to use the asset of their home as income support. This is discrimination over those that have not earned any housing assets, as they are still entitled to receive full tax paid income. Primary residence should be disregarded for eligibility purposes.
Separated clients that are in the process of property settlements should not have assets included in any means testing as they are not considered liquid assets until a determination has been made by the courts and therefore again should be disregarded for eligibility criteria. This will also empower the client in this situation to be able to seek support (mental health etc.) to help in any recovery of post separation.

**Pillar Two: Strengthening individual and family capability**

**Mutual obligation**

**Participation requirements be better matched to individual circumstances**

To ensure mutual obligation, the government needs to meet their mutual obligation with the client, by providing a case worker to support the client to transition from their entry point of benefits to independency with a service delivery to their individual circumstances.

Participants should be able to have assistance to return to work in fields that are of interest to them. This will encourage longer term employment participation and the participant will show more interest in learning the skills required for their chosen field of work.

Businesses, TAFE’s and Universities should partner with student recipients with more hands on experience with training. These recipients will then earn work related expense credits which give positive rewards and encourage them to achieve their goal. This will provide financial means to better equip themselves for the employment areas that they are seeking employment in. With the potential of accumulating work place credits, the recipient/student will progressively be improving their position along their chosen employed pathway which will encourage them to complete their course. On completion they will be better established to earn at a great capacity which will in turn free them from welfare dependency. The long term benefits to the community are limitless.

**Carers better supported to maintain labour market attachment and access employment**

If there are funding cuts to respite organisations, then extra funding on top of the carer supplement needs to be given to the carer to employ a respite worker which will enable the carer to be free to participate in their employment and market labour attachment.

Encouraging employers to offer more job share opportunities would position them with replacement employees to fill the job role whilst the carer is on leave meeting their care obligations and responsibilities. Job share opportunities compliment the need of both employees fulfilling the job role. Employer incentives in regards to employee benefits e.g. superannuation etc. would be reduced.
because the income threshold for each individual employee would be less. The reduced ongoing staff recruitment costs i.e. if one job shared employee leaves the role, the existing job share employee has the knowledge to train any new potential recruits.

The employment criteria that is placed on carers, needs to be adjusted depending on the needs of the dependant in regards to location of employment from the residential home.

Local Care facilities are needed for special need dependents to enable the carer access to employment opportunities. There is also a need of before and after school care, plus vacation care at special needs schools.

**Ensuring that people on income support meet their obligations**

Making it easier for online reporting, recipients can utilise online diaries as part of their obligations.

Consideration needs to be taken into account the lack of actual jobs in the labour market attachment area. May and June ABS statistic figures state - Job vacancies are 146, 100 with 728,500 unemployed, or 80% with no chance of obtaining work. The partnership between the case worker and the recipient would ensure that people on income support are being assisted, removed from isolation and reengaging the recipient with community services. This service delivery would enable recipients to have centred point of contact with whom to refer for all pathway plan participation.

**Income management**

Financial counsellors should be experienced in hardship and experienced in managing income equivalent to recipient benefits by lived experience. This service should be available on request.

Income Management is a costly and demeaning policy. It is bad for small business as they lose income if they don’t sign up for the scheme. This is solely about supporting big corporations and does nothing to change the recipients spending behaviour. Many studies for those in the Northern territory have proven this. So far the trial of income management at sites around the country, including Shepparton in Victoria, has cost in the order of $1 billion over the past seven years.

Recipients with Drug/alcohol/violent prosecuted offences should be ordered to attend mandatory drug rehabilitation and education programs. Those refusing to attend such programs or are re-entered into the program could then be considered as needing income management.
Early intervention
Programmes similar to the New Zealand investment model be adapted and implemented in Australia
By calculating the projected lifetime liability for groups on income support, we agree the Government can direct funding to groups likely to have the highest lifetime cost of income support and ensure that early intervention will decrease the need for long term dependence.
The implementation of youth service initiatives (as stated in the NZ investment model) which incorporates budgeting and parenting courses, should not only be restricted to youth, but to any who would benefit from such initiatives. Any recipient volunteering to engage in these initiatives will be rewarded with work credits on completion. This rewards people to take responsibility for addressing their vulnerabilities and improving their financial management competencies.

The engagement of case workers enables the continuous monitoring of the reasons for and against certain job mutual suitably.

Losses of any financial support will not benefit the recipient and threats are a form of abusive control and these would be counterproductive. The recipient would be more likely to fulfil mutual obligations with a more positive reward based incentive program with rewarded work credits.

Social support system - Early delivery for intervention of children at risk
Ongoing support should be given to policies and programmes that target children at risk and provide good outcomes and a positive return on investment for government funds. How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?
Young people nationally should be encouraged to finish Year 12 (or equivalent), and/or gain a Certificate III or IV which is linked to available jobs, similar to what is being offered to students and young persons in Queensland. [http://training.qld.gov.au/resources/investing-in-skills/pdfs/c3g-program-policy.pdf](http://training.qld.gov.au/resources/investing-in-skills/pdfs/c3g-program-policy.pdf)

We believe schools should partner with TAFEs and Universities for early student participation with more hands on experience with training in their chosen subjects. As children are confused what subjects they might be interested in. This could help them to know if the subject they chose is for them or not before they commit to more expensive courses at TAFE or University. Students could also earn work related expense credits which give positive rewards and encourage them to achieve their goals. This will provide financial means to better equip themselves for the employment areas that they are thinking of seeking employment in. With the potential of accumulating work place credits, the recipient/student will progressively be improving their position along their chosen employed pathway. This will encourage them to complete their Year 12 (or equivalent), and/or Certificate III or
IV course, with work credits given at each passing level. On completion, they will be better established to earn at a greater capacity, which will in turn free them from welfare dependency. The long term benefits to the community again are limitless.

Case workers that have an essential skill set in youth, mental health, disability, and sole parent families should be assigned to youth or children at risk.

When grades start showing that the student is falling behind their peers, the school could recommend this extra funded program to the parent for the child to participate in. This will ensure children will not fall through the gaps. Funding could also be given for students to attend a tutor to help the child with their understanding in the areas they are struggling.

Like the New Zealand investment model. It would be more beneficial to all, for youth to complete not only the recommended education but also compulsory budgeting courses to satisfy mutual obligation criteria, rather than the current stress imposed by the work for the dole campaign. This starves youth of the opportunity to gain meaningful jobs or fulfil study or traineeship obligations. There needs to be productive avenues to free people toward independent valued lives. Real issues need to be addressed by taking off the blinkers.

**Social support system - Early intervention for children at risk**

For people with complex needs, such as people with severe and persistent mental health conditions, there should be wrap-around services that assist them to stabilise their lives and engage in education, work and social activities.

At risk children living with severe and persistent mental health conditions need supportive programs that will nurture and help build skills that will enable them to better deal with their illness.

Support is needed for not only the child but parents and family too, as they navigate through the generalist and specialist mental health services which need to work together to build positive results.

Specialised education programs can help build base level skills which will help the children manage with day to day living, and for some, work skills to obtain a job. Recreational programs can help with rehabilitation and socialisation.

Respect needs to be given to the child, including having an opinion about what directly affects them and included in decisions about their treatment. They need to have transparency and feel they are supported in a safe environment.
Funding cuts to existing non-government agencies is counterproductive in assisting these people with their complex needs. These services are already exhausted and if anything more funding needs to be invested in these areas.

Education and Training

Improving access to literacy, numeracy and job relevant training for young people at risk of unemployment

Schools and TAFE’s need to have back to basics classes that offer support services which consist of literacy, numeracy and remedial education for ‘at risk’ children that are not keeping pace with their peers. Programs that offer vocational and job-readiness training, job search assistance and career guidance along with counselling, can also help young people to find their way into work.

To give young people the best chance in the labour market, education and training need to incorporate innovative approaches to skills acquisition that combine training with employment and income generating opportunities.

Early intervention and prevention programmes - improving skills for young people

More attention needs to be paid to learning difficulties in young people and challenges which may come about due to family environmental factors, injuries, ill health and disabilities. Teachers need compulsory training in areas of family conflict, disabilities, multicultural diversity and learning disabilities. They must recognise the weaknesses in the students and be able to refer them onto services that can best equip the child and family and help strengthen them in the areas of their weakness. Accessibility for communication access to be more accessible outside of face to face contact (i.e. parent teacher interviews) through an electronic communication portal. Test and assignment results can also be displayed on this communication portal and parents are then able to have closer understanding of the progress of their child/ren at school.

Pressure needs to be reduced on the broad range of subjects in the school system. With modified curriculum in the school, emphasis needs to be placed on implementation of specialised programs to assist children and help them to catch up and fill the gaps in their education understanding and skills. It’s no good giving children a spare period without giving the children support to address the initial issues.

Students should be given several differing experience opportunities so they have more of an idea of what they could like in career options and know better which direction they could chose in life. We recommend that national work education programs such as,
should be rolled out as compulsory components to the curriculum. A lot of schools are under the impression that insurance is an issue, however, government has in place Worksafe Insurance which addresses this concern, with students, parents, schools, businesses and stakeholders.

On the completion of high school and moving into higher education, businesses, TAFE’s and Universities should partner with those learning and give hands on experience with training wages i.e. an equivalent pay rate to someone in a first year apprenticeship. This will give students a real taste of work life experience and help them adjust into the work force a lot easier. Businesses will see the benefits of these students with actual work experience and they will be seen as more desirable to hire.

‘Earn or learn’ for young Australians

The ‘Earn or Learn’ can be good in principle if applied correctly. We like the idea of rewards for gaining and keeping employment. However, we don’t agree in withholding income support for those that are unable to earn and have done time in learning. What would be a more productive measure would be for case workers visiting recipients to explore what the barriers are and work with them on ways to overcome by providing links and the necessary support and referrals to agencies that can help them initiate their employment and recovery pathways.

The government needs to also recognise that they have a mutual obligation in addressing a key barrier, being the fact there is only 1 job for every 500 people. There is currently not enough jobs.

The withholding of income in this case of not enough jobs, is likened to a financial abuser in a domestic situation. How will our children learn that this is not appropriate in their domestic lives, when their own government is forcing this upon them in endeavours for them to gain employment with non-existing jobs?

The impact of withholding support extends not only to the affected youth, but also to the extended family and will have a flowing on effect throughout the economy.
The money allocated for relocation from metropolitan to regional and vice versa, should be the same amounts. We don’t agree that $4000 is enough to relocate, and the $6,000 payment (including an additional $3,000 for families and dependent children) would be more in line with realistic relocation costs.

Relocation for learning refer: Simpler Architecture Supplements.

The job commitment bonuses should be open to all school leavers on gaining and keeping employment. The six month barrier should be withdrawn.

Our concerns are:

- ‘It will be up to the individual to apply and they need to submit their applications within 90 days of qualifying for the bonus. If the individual has no knowledge about the payment they will miss out. This payment could be administered through the tax system as a rebate on each work anniversary. This would encourage lodgement of tax returns and will benefit the government by being able to claim any unpaid debts (e.g. Centrelink overpayments, child support debt, taxation debt etc. – this should be subject to hardship provision).

- The eligibility to receive the income bonus is subject to ‘good reason’ which needs to be transparent and predetermined rather than presently being open to the discretion of the secretary.

Improving individual and family functioning

Services - family functioning to improve employment outcomes

Stable families come from supported families. If you have income support that is below the poverty line, you are only going to have stressed out families. If we want the vulnerable in our community to give, then we can only do that if we support them in doing so. Many that are on welfare payments live in isolation that prohibits healthy social activities for all members of the family due to lack of finances. This exaggerates depression and poor mental health.

Students will more likely finish schooling if their parents were given the financial support which they might not be able to provide for their children. Children will miss out on learning opportunities if they are not able to afford to go on camps, excursions and other social activities. State government needs to make it easier to approach the schools for hardship and also reinstate the Education Maintenance Allowance. The Federal Government needs to understand the importance of the School Kids Bonus and how removal of this allowance will greatly impact the students. The youth case worker needs to be up to date with financial support initiatives, such as hardship school fee exemption to assist the family to function, reducing feelings of humiliation and despair for being in a financial hardship state could lead to less stressed parents, who would be in a better position to maintain a job.
Services, employment and social participation for people with complex needs
One on one assistance, really listening to the needs and wants of the individual. Support and assistance to help the participant cope with their complex needs.

Local and state governments could design employment initiatives surrounding community venues, to actively engage with the delivery service organisations connected with mental health and disability, to create job opportunities and work placement for these groups. The responsibility for local and state government when designing initiatives can also take into consideration, marketing opportunities for people in these groups to promote awareness to the outer community and assist them in their own business planning of these community venues. An initiative such as this would strengthen the bond within the community and would allow the persons from these groups to feel valued within the community.

Evaluating outcomes
Government funding of programmes, developing individual and family capabilities - more effectively evaluated to determine outcomes
Federal Government could offer funding to the local and State Governments to provide essential money and equipment for the aforementioned local Council employment initiatives.

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
Business-led covenants can be developed to generate employment for people with disability and mental health conditions
The government needs to ensure that small to mid-size businesses are aware of the government JobAccess initiative which are physical and mobility specialists that can come and fit out the business with any necessary adjustments for any disabled staff member that might be hired or after employment in which a staff member might later need disability support.
Job network agencies need to get mobile and engage with employers and discuss the advantages of utilising such programs as JobAccess, or alternatively, JobAccess could create more positions under their own umbrella, by creating employment opportunities to hire their own internal field representatives, or outsource the services of marketing companies such as Crossmark.

Again we want to emphasise the scope of the case worker, which is to link the recipient with a department such as or similar to JobAccess, who will in turn work together with the recipient/employee and any potential employers.

**Successful demand-led employment initiatives replicated with such as those of social enterprises**

Following the Social Firms Australia framework, business led covenant, could be developed to generate employment in many industry sectors e.g. our existing communities have some smaller standalone coffee shops, gyms, nurseries, landscaping etc. The range could be expanded to include franchisees directed by SoFA or similar.

**Improving pathways to employment**

**Transition pathways for disadvantaged job seekers, including young people**

There has been no proven evidence that work for the dole initiatives actually move recipients into paid work. More productive outcomes could be achieved by adapting similar business concepts likened to the SoFA framework, where disadvantaged job seekers could acquire work place trainee ships and progressively lead them to qualifications and earn work placement credits by partnering with TAFE and Universities and industry partners as previously stated i.e. 25% to 50% disadvantaged job seekers employment basis.

Transition pathways such as ‘work for the dole’ or ‘green corps’ by the government ensuring that recipients whist engaged in these mutual obligation programs are adequately insured and fully compensated for workplace injuries that may occur, inclusive of life term injuries. There needs to be some sort of guarantee in place.

**Vocational education - training into real jobs better targeted**

As above. By having a service delivery that is real, with statistical evidence that these programs work as documented on the SoFA website, where real job experience can also lead to completion of certified education certificates.
Individual Placement and Support that combine vocational rehabilitation and personal support for people with mental health conditions

Council facilities, physical and recreational centres, need to be free for all concessional persons, but in particular those with mental and physical conditions. Recovery and rehabilitation journeys can be better supported by government making council recreational facilities free to access.

If the government is serious about supporting recipients with mental health conditions and disabilities then they will find a way to afford this initiative.

The government needs to stop cutting back on funding to programs such PEER and P.I.R. – Partners in Recovery, PHAMS and Employment PHAMS and expand on these programs instead forcing these organisations to cut back on their services.

Supporting employers

Employment focus embedded across all employment and support services

The government’s responsibility as a job services provider with their ‘work for the dole’ and ‘green corp’ initiatives, should be ensuring recipients are gaining the required education and experience that employers are seeking in employees.

Reference groups were consulted and reported to maximise the chances of jobseekers securing employment, now employment services providers essentially have to equip job seekers with the skills that will be required in growing sectors of the Australian economy.

Work for the dole programs should be delivered in areas of the economy that skilled employees are needed. This could reduce the need for the 457 visa holders and create more jobs for Australian citizens.

Job services system improved to enhance job matching, effective assessment of income support recipients

Job service providers need to use the information gathered by governmental surveys to access where skills are lacking and promote training in these fields through the job service provider initiatives.

While providing training to recipients more financial assistance is required to ensure the mental stability of the client by increasing Newstart to a liveable support income.
Reduction of administrative burden on employers and job service providers
The government could direct a pool of funds to be dispersed to employees on their goal anniversaries of 12, 18 and 24 months. This would be administered by the Australian Taxation Office to distribute to the employers following quarterly BAS lodgement. In turn the employers could pass on these funds to the employees on their anniversaries.

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
Expertise and resources of corporates and philanthropic investors drive innovative solutions for disadvantaged communities
By the top 10 to 20 profitable Australian organisations (private sector), donating excess profits into organisations such as the Foyer Oxford and Day to Day Living in the Community programme, they can lead by example of building up disadvantaged communities and helping people up, instead of the current trend by our national leaders of demoralising and inciting of negative stigma and labelling.

By investing in these programs, these disadvantaged communities will be able to, in time, grow and support themselves.

Community Business Partnership leveraged to increase the rate of philanthropic giving of individuals and corporates
By having a compulsory/voluntary contribution from individuals earning over $250,000 pa and private businesses with net profits exceeding $1,000,000, donating 1% of their income (tax deductible), toward community programs such as mentioned above, Australia’s disadvantaged communities would benefit immensely, producing much needed jobs, as well as building Australia’s economy and resources.

Ongoing service provision will ensure the reduction in welfare dependency and help educate, and skill build those in these communities.
Disadvantaged job seekers encouraged to participate in their community to improve their employment outcomes

Job seekers would be more encouraged to participate in their community if they could see the value in these programs that would build on their ability to gain paid employment, such as, quality work experience, partnered with recognised training certificates.

Potential place credits which can be used to offset income earned from voluntary placements can be spent once they have gained paid employment to ensure they are able to purchase any needed clothing or equipment required for their new paid role.

Role of government

Community capacity building initiatives evaluated to ensure achievement of desired outcomes

Access to public transport, taxi concessions etc. need to be in place to ensure that adequate access to job opportunities are given to individuals.

As mentioned previously, government should also be encouraging businesses to locate in areas of high unemployment population, this will ensure adequate opportunities are given to all sides of metropolitan population growth and reduce welfare dependency in low income pockets of Australia. This will also encourage an increase in infrastructures which will benefit the whole community.

Local government community capacity building initiatives needs to reflect that the demands placed on existing infrastructures post approval of business developments e.g. regional areas that now have mining developments, fail to deliver appropriately capped living expenses for those static positions such as our police, teachers, childcare workers, accountants, solicitors, health workers etc. in particular living costs such as rental affordability, food, fuel, transport etc. Local government needs to take responsibility to cap the price of goods, to ensure over inflation does not occur in new developments.

Community initiatives could include with the siting of a local residence card or label affixed to windscreen:

- Community rate discounts
- Petrol discounts

These discounts could be recognised by local businesses and also local business could be able to claim the discounts they pass onto locals in their local tax return (similar to the diesel initiative for primary producers).
**Income management model developed to build community capacity**

Controlled Income Management is humiliating, unfair, and unlikely to improve quality of life for welfare recipients or their children. There is no solid evidence that this policy achieves its goals, and we fear this approach will be counter-productive.

It is claimed that CIM helps welfare recipients become more financially responsible. It is unclear how reducing recipients control over their payments will achieve this goal. We are concerned this measure will entrench dependency and discourage recipients from developing financial management skills.

We fear CIM will have long-term mental health impacts. Consultations by the Australian Indigenous Doctors Association in 2008 revealed widespread feelings of humiliation and shame among NT recipients.

We also note international research indicating heavy-handed policies like forced income management tend to further stress disadvantaged families, potentially increasing family breakdown.

The cost of this policy is estimated at $4,600 per recipient annually in the five “trial” sites and between $6000-7000 per recipient annually in the NT. By comparison, employment agencies are provided with only $500 per long-term unemployed worker to address barriers to employment. The NT scheme has costed more than $500 million over five years.

We consider problematic the 'financial hardship' trigger for 'vulnerability'. Financial hardship is widespread among welfare recipients'. Not because of widespread incompetence or irresponsibility but because of inadequate welfare payments, expensive rental markets, lack of public housing, and cost-of-living pressures.

We regard the 'financial hardship' trigger as a kind of "double jeopardy", punishing recipients twice. First, forcing recipients to survive on below-poverty line payments. Second, deeming them to suffer financial hardship because of low payments, thus forcing them onto income management.

We fear CIM will have negative consequences for those requiring emergency assistance, like domestic violence victims. The Australian Law Reform Commission’s paper on this topic expressed concerns about circumstances to Centrelink, and thus being unable to access emergency services like Crisis Payments, for fear of being placed onto income management.

If 728,500 people are unemployed (ABS stats for June) and they become income managed (on the very generous and rough estimate of $500 per fortnight), then that will mean the government gets to say where $9,470,500,000 gets spent per year. According to Centrelink website this does not cover alternative suppliers such as

- Local farmer markets
- Repair businesses (car etc)
- Taxi services
- Small businesses (speciality shops)
- Independent shops (not part of a huge super chain, mum and dad corner stores, take-aways)
- Pharmacies
- Garage sales
- School tuck shops
- Charity shops, Op-Shops
- Ebay
- Donations

(Courtesy Eva Cox):
- It starts with the wrong assumptions, that the spending of income recipients is the problem.
- It can undermine recipients’ capacities to make their own choices.
- It costs a lot per person to administer, which could be better spent on other services.
- It reduces the focus on external problems - such as job seekers greatly outnumbering jobs and employers' prejudices affecting work prospects.
- It blames the most vulnerable and reinforces their lack of self-worth and hostile public views, both social determinants of ill health.

[Engagement is needed with initiatives such as Enterprise learning projects, which creates opportunities for individuals to develop the skills, confidence and experience they require to achieve greater levels of economic participation. Extending the delivery of these types of projects would deliver more positive outcomes rather than the negative impact of CIM, progressive over regressive will always be more successful.]

http://www.healthinfonet.ecu.edu.au/key-resources/organisations?oid=1119

As we have previously mentioned, as per the NZ investment model, budgeting and financial management courses could encourage recipients that might need assistance with their financial needs to better manage their finances.

Role of local business

Communities generating opportunities for micro business to drive employment outcomes

Microbusinesses would benefit from the implementation of the local residence card initiative in the following ways:
- Spending would increase in local community micro businesses in order for residences to get the nominated discounts.
- Annual turnovers would increase.
- Demand for more employees would increase.
- Productivity will increase for micro businesses and this will in turn have a comradery, empowering effect, of community togetherness, pride and focus.
- Promoting micro business skills within the school/TAFE community, by engaging with hospitality students etc. to help increase workplace experiences such as catering for celebratory schooling events e.g. graduation dinners etc.

**Mutual and co-operatives assist improving the outcomes for disadvantaged communities**

Micro financing and matched saving initiatives are integral initiatives for the benefit of low income earners or people in financial trouble. As persons who have had lived experience in this area we believe the way to assist in improving the outcome for these disadvantaged communities is to increase public awareness of such programs being available. Ways in which to increase public awareness would be through the case worker linking the recipient into such programs. Better information delivery also from our local, state and federal Governments through the use of social media, TV media and local newspaper advertising platforms.


**Access to technology**

**Disadvantaged job seekers’ access to information and communication technology improved**

Residents of communities that are in the digital hub areas need to be made aware that these digital hubs exist.

Companies such as Apple, IBM, Telstra and Optus etc should be invited to partner with the government to roll out ConnectIT program and Digital Hub program across more disadvantaged communities throughout Australia.

**Community Resilience**

**Strategies help building community resilience, particularly in disadvantaged communities**

Resilience of communities would be stronger if in events of major catastrophes, insurance companies have maximum periods imposed in which to settle claims. Rebuilding life and living, recovery processes would be easier achieved with quicker turnaround times. Governments could pay a crisis payment which could then be reimbursed to Government on insurance settlement payout, or Legal parameters surrounding eligibility from appropriate Government personal. This will get people back on their feet faster after crisis and would have significant outcomes for addressing their vulnerabilities.
Federal Government needs to regulate the purchasing of local businesses to large Australian corporations and international investors. Privatisation is killing cooperatives which are beneficial for the ongoing employment status of communities. The resilience these communities once had are being stripped away from them. Privatisation and offshore investors who buy multiple small businesses and then close them, in order to create one big enterprise, cause irrevocable damage. This not only hurts the community with the closed businesses but to the other community employees of the larger investment scaled enterprises i.e. cost of living increases, that become over inflated to employee incomes, particularly service workers such as, police, teachers, childcare workers, accountants, solicitors, health workers etc. By supporting local businesses, living prices would remain stable and deter over inflation of living costs.

**Innovative community models creating incentives for self-sufficiency and employment**

By community supporting local business, resilience is increased in the local community and providing job opportunities for locals.

Community incentives for self-sufficiency could include the resident card as stated earlier, with the siting of such card or label affixed to the car windscreen for community discounts given to each other within the community.

With store credits earned from local shopping centres, based on a point system with each purchase, credits can be redeemed at local council operated venues or facilities, such as recreation centres; libraries; performing arts theatres; museums etc. This will increase the flow through of clients through these facilities which would increase the turnover of food type catering services and also promote, healthy living, community spirit and appreciation for the arts and healthy lifestyle choices whist also creating community bonding.
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Resources:  
VC OSS  
AC OSS  
National Welfare Rights Network  
Department of Social Security  
Qld.Gov  
Vic.Gov  
Nolimits.com  
Healthinfonet  
Department Social Services  
Anglicare  
SIMPla (Stop Income Management in Playford)