# 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?

| Supplements are exhausting, confusing, and subject to government policy changes. Payments should be pegged to a percentage of the minimum wage.  People may be assessed as having a permanent impairment and unable to work; it is unfair to subject them to repeated assessments and uncertainty for future eligibility. However some *do* wish to work; they should have access to Disability Employment Networks and the opportunity to find a willing and flexible employer despite their assessment of permanent incapacity. |
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### 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?

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### 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?

| The only single income payment adequate to sustain a private rental market tenancy (tenancy being a proven indicator of health, safety and citizenship) is the Disability Pension. Those on other types of single person payments are more likely to be in informal housing arrangements with no security of tenure and therefore more susceptible to homelessness.  25% of homeless people in Australia are aged under 25; likely to be on the Youth Allowance/ Newstart.  The private rental market is often out of reach, and implies that apart from limited ‘affordable housing’ they must secure a social housing property. The social housing market is miniscule.  Payment changes should be pegged to increases in the CPI; increments below the CPI guarantee the slide into further disadvantage. Responses to the associated impact on child wellbeing, community health, the justice system etc are more costly than prevention. |
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### 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?

| Young people must remain eligible for living away from home allowance (or similar). To remove eligibility means young people may have no option but to remain in unsafe or inadequate situations. In our experience Child Safety are limited in their capacity to respond to concerns for people aged 14 and over.  In Logan parents could be prosecuted/ fined for their children’s non-attendance at school. We are aware of significant numbers (hundreds) of children consistently absent; despite reports to Child Safety while working with the family to encourage school attendance we are unaware of any fine/ prosecution for parents. Child Safety say school non-attendance is a Department of Education problem; children continue to miss school while Departments disagree on who is to lead a response.  *Payments for children must be linked to school attendance.* |
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### 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?

| People who pay their rents through Centrepay can and do cancel their rent payments at any time (apart from income managed) *yet continue to be paid Rent Assistance*. This reinforces an ‘all rights, no responsibilities’ message.  Rent assistance is not always used for rent; it is now seen as a part of standard payments with little association to rent.  Eligibility for social housing requires disadvantage, including the inability to afford private market rent.  *Social housing should require rent payments via Centrepay regardless of if they are on income management.* |
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### 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?

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## 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?

| Until the impact of the NDIS on carer capacity for employment can be seen, for many caring *is* a full time job and it is unviable to expect them to participate in the labour force as well.  YFS support fair and robust application of income management. It allows necessities to be met while giving space to address their disadvantage. It also protects children who bear the consequences of poor financial decisions. Income management is flawed; YFS are aware of cases of ‘system malfunction’ (which meant rent was unpaid and led to arrears). Income management should care enough about people to maintain a *robust* system. The system designed to ensure necessities are paid has also shown it allows rent to go unpaid.  Income management should *not* take 100% of someone’s welfare payment. In order to be financially responsible people must have an amount of discretionary spending. Income management should be about developing or redeveloping a pattern of behaviour. As people improve and understand their responsibilities – gradually withdraw for them take over. If an individual is incapable of managing this amount well, the Public Trustee (or state equivalent) is another option. Income management is not the only option. |
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### 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?

| Systems are isolated and communicate poorly. Communities would benefit from a Collective Impact type investment where agreed benchmarks and community buy-in work to the same ends.  There is an increasing tendency to fund *referral*services. Providers and people get caught up in endless referrals; *doing* services are required. Both government and non-government services must methodically connect people and families back to the institutions that provide the stability for a full life (child care, care schools, employment, medical services, neighbours, family and friends, local traders). This requires secure housing (and adequate supply). |
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### 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?

| Money management should be taught in schools.  The problem of learning this skill from parents is that not all parents (or people) are good managers of money. People live and are encouraged to live beyond their means. |
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### 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?

| See response to page 85 – 88.  Collaboration between services requires a lead with delegated authority to ensure consistency of services. Collaboration which relies on the good intentions of agencies invites poorer outcomes for families, individuals and the community. Collaboration at any cost is destructive. |
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### 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?

| Consistency of client achievement measures across programs, measured over time by both the person/ family and the agency.  Contract management should review not only the systems in place but the quality of the work (ie ISO). Talented contract managers are required; those who can see that the value and the quality of the work takes precedence over any relationship they may have with the agency. |
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## 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?

| The McClure interim report acknowledges the success of social enterprise, noting s*ocial enterprises have been shown to improve employment outcomes for disadvantaged groups as well as provide long-term sustainable employment.*  YFS Ltd has invested in social enterprise, believing it key to creating local employment and subsequent opportunities for long term employment. Of the proposed four pillars of reform, social enterprise has a role in three; strengthening individual and family capability, engaging with employers and building community capacity.  Social enterprise jobs may look soft to the inexperienced eye, yet they are extremely clever at getting people back into the pattern of work. People learn timekeeping, social skills and team work; the value of honest labour gives a sense of achievement.  To achieve this, YFS calls for the government and business sectors to contribute via social procurement policies; an innovative response to addressing unemployment by ensuring multiple outcomes are achieved through procurement practices. Social procurement is not a radical initiative and works effectively with current policy guidelines and regulations.  YFS believes this should be an attractive proposition as it requires no additional funding – currently a small percentage of government or business procurement is allocated to social enterprise. Significant results can be achieved if expenditure requires providers to deliver positive social impact as part of a contract’s key deliverables.  Social enterprises are increasing in number and capacity and are an important addition to the supply market. Critical to unlocking their potential is ensuring social procurement processes are flexible enough to allow a diversity of suppliers to compete for council and government contracts. Services with a focus on delivering social impacts can be competitive tenderers, while channelling economic and social resources into the community.  The McClure report, in conjunction with social procurement, offers government an opportunity to demonstrate leadership in developing local business and industry as responsible and sustainable suppliers of goods and services. A purpose of the McClure report is to adopt a welfare system that encourages people to work. Punitive measures only serve to compound existing disadvantage.  YFS contends there are *very few* people who do not want to work. There are however people who are excluded from the labour market. Social procurement provides this opportunity via its social and economic framework. |
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### 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?

| Services that address non-vocational barriers to employment are required. The services should target highly disadvantaged job seekers (Stream 4), and focus on personal and social outcomes alongside employment outcomes. These services need to work closely with JSAs. Once in employment time limited service is then provided to ensure the sustainability of the employment. |
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### 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?

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## 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?

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### 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?

| See response to page 85 – 88. |
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### 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?

| See response to page 95 – 100. |
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### 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?

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### 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?

| See response to page 85 – 88.  When parties undermine increases in the minimum wage they must be mindful it sends the message that people on low income and their work is not valued. Government should promote the value of all labour. |
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