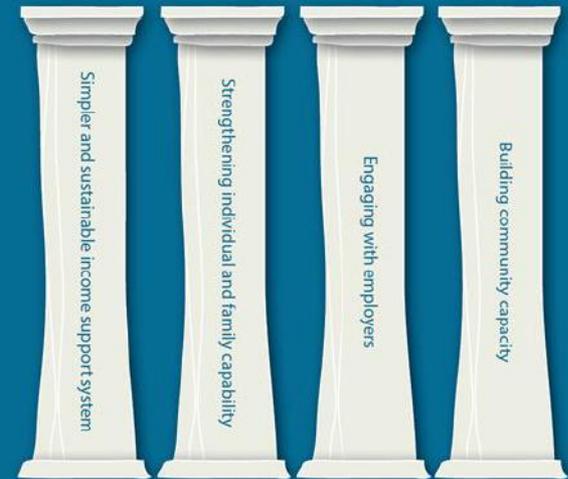


A New System for Better Employment and Social Outcomes

Final Report of the
Reference Group on Welfare Reform

International Conference on Welfare Reform, ANU,
September 2015



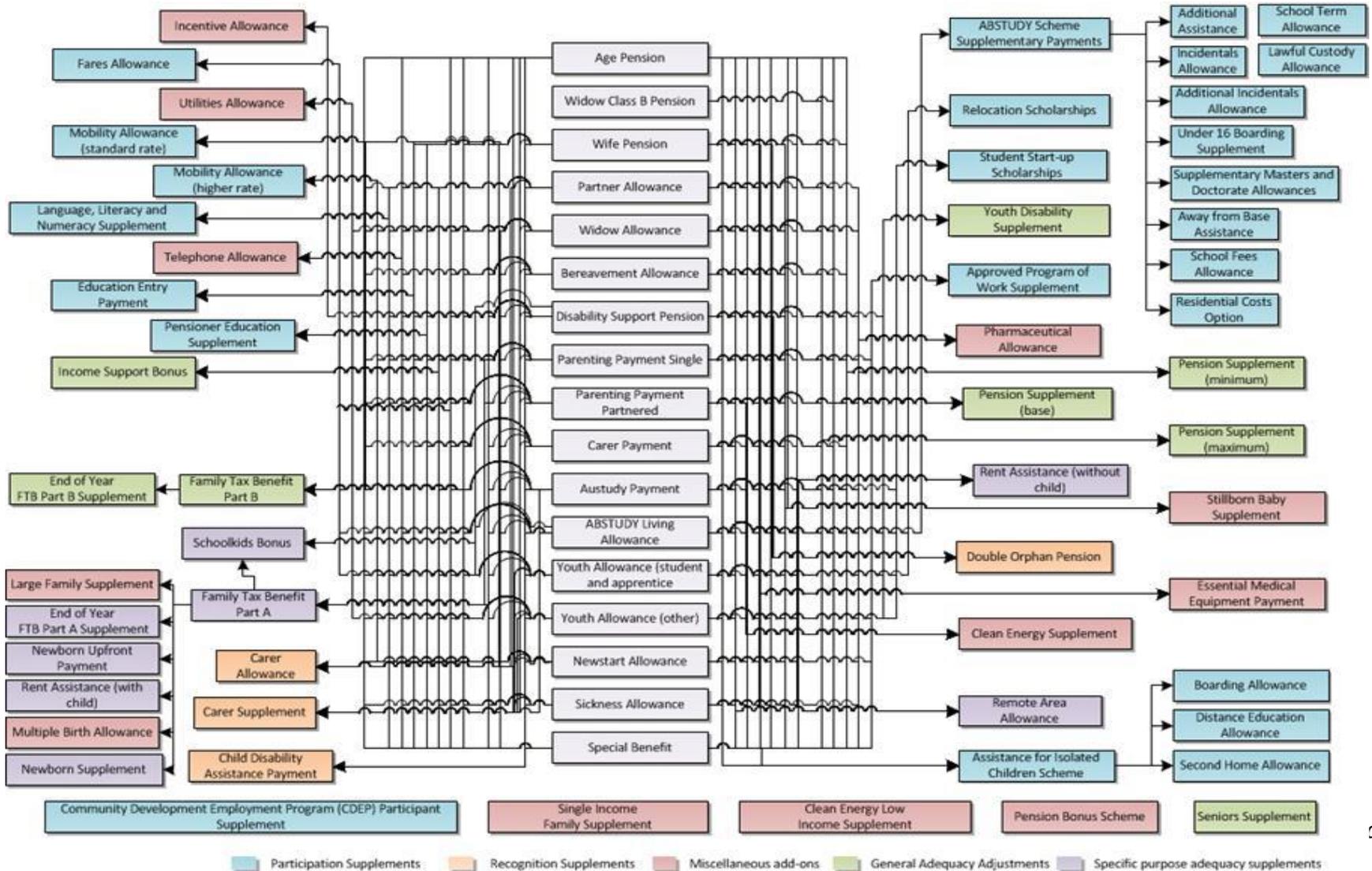
Introduction

- Launch of Final Report, February 2015
- Extensive consultations, public submissions, online comments
- Integrated approach across four pillars of reform with employment focus

Need for Reform

- Complex and inefficient system
- Disincentives to work
- Changing employment market
- Early intervention for at risk groups

A complex system: 20 payments and 55 supplements



Pillar One:

Simpler and sustainable income support system

Simpler architecture:

- **Supported Living Pension** for people permanently and severely restricted in their capacity to work
- Tiered **Working Age Payment** reflecting capacity to work (Upper, Middle and Foundation tiers)
- **Carer Payment**
- **Child and Youth Payment**
- **Age Pension**
- **Four Categories of Supplements**

Pillar One: Making work pay

- Passport to Work as a safety net
- Better rewards for work

Pillar Two: Strengthening individual and family capability

Investment Approach

- Independent actuarial valuation
- Early intervention and investment in people at greatest risk of lifetime dependence
- Complements mainstream services
- Outcome-based, test-and-learn

Pillar Three: Engaging with employers

- **Where are the Jobs?**
 - Growing Industries:
 - Health Care and Social Assistance, Education and Training, Retail, Construction.
 - Across skill levels
- **Business case** for workforce diversity

Pillar Three: Engaging with employers

Jobs Plan

- Australia ranks 21 out of 29 for labour force participation of people with disability across OECD.
- Jobs Plan for people with disability and mental health conditions
- Bring together business, government and civil society leaders to develop and implement initiatives

Pillar Four: Building community capacity

- Social Benefit Bonds: Newpin SBB
- Community business partnerships; Foyer Model
- Support for microbusiness and social enterprises

The Core Value of Welfare Reform

‘Providing individuals with the substantive freedom to lead a life they value: where a person’s substantive freedom depends not only on their rights and liberties but also on their own abilities and characteristics, and the economic, social and natural environment around them ’

Professor Amartya Sen, Nobel laureate