

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2015-16 Additional Estimates Hearings

Outcome Number: 1.12 Programme Support for Outcome 1

Question No: SQ16-000005

Topic: McClure Report

Hansard page: Written

Senator Rachel Siewert asked:

What is the status of the Government response to the McClure report? Has the Department provided advice to Government? What are the next steps in the process?

Answer:

- The Government has announced initial decisions to strengthen the welfare system that are consistent with the core principles of welfare reform.
- In the 2015/16 Budget the Government committed:
 - \$60.5 million over four years in initial funding for an upgrade of the ageing Centrelink IT system. It will be replaced in stages, with work to begin in July 2016. This is a fundamental first step in Welfare Reform.
 - \$20.7 million over four years to develop an Australian Investment Approach to Welfare. This approach involves actuarial valuations of the income support system to identify key groups at risk of long-term welfare dependency.
- The Government has also announced other measures to strengthen the welfare system that are consistent with the core principles of welfare reform, including:
 - better targeting of some supplementary payments;
 - more generous means testing arrangements for young people;
 - changes to the Family Tax Benefit to improve targeting;
 - requiring Disability Support Pension recipients under 35 who have participation plans to include a compulsory work focussed activity in their plan; and
 - the Growing Jobs and Small Business package to provide better opportunities for Australia's unemployed.
- Some of these measures are subject to passage of legislation.
- Further consideration of reform of the welfare system, including next steps, is a matter for Government.