

Perkins 216A (6)



PRIME MINISTER

Press Statement No. 352
8 September 1975

INCOME SECURITY REVIEW

The Prime Minister, the Hon. E. G. Whitlam, today announced the terms of reference and the administrative arrangements for the Income Security Review. Mr Whitlam first mentioned that the Review would be undertaken in the course of his Chifley Memorial Lecture which he delivered in Melbourne on 14 August 1975. The terms of reference for the Review, which have been agreed to by the Government, are attached.

The Prime Minister said that it had been decided that the Review would be monitored by a Cabinet Committee of Ministers comprising himself, the Treasurer, the Minister for Social Security and Minister for Repatriation and Compensation and the Minister for Labor and Immigration.

Cabinet had agreed that a Committee of officials (Review Group) should be drawn from the Department of Social Security, the Taxation Office, Treasury, the Departments of Repatriation and Compensation and of Labor and Immigration, the Social Welfare Commission, and the Department of the Prime Minister and Cabinet, with assistance from other Departments and authorities as required.

Mr Whitlam said that the Government had decided that until the Review is completed there should be no new initiatives or extension of existing policies in the income security area.

Progress of the review will be closely examined at regular intervals by the Cabinet Committee. By the time of the 1976/77 Budget the Government expects to determine its long term program of reforms and the steps which will need to be progressively taken to achieve those reforms.

When the Government came to power in 1972 there was need for immediate improvement in the income security and social welfare area. Considerable progress has been made to effect that improvement. Further improvements of a more fundamental kind are needed. The review process now started will take into consideration the independent reports already commissioned by the Government.

The Prime Minister said the Review would have regard to the Government's policies for the abolition of the means test on age pensions and for the introduction of the National Rehabilitation and Compensation Scheme covering injuries. In respect of the latter aspect Mr Whitlam said that the Government was concerned at the high cost to employers and car-owners of the existing compulsory schemes for Workers Compensation and Third Party Insurance and the incomplete, uncertain and time-consuming remedies for the victims of industrial and highway accidents.

CANBERRA A.C.T.

INCOME SECURITY REVIEW

TERMS OF REFERENCE

The Terms of Reference of the Income Security Review are :-

- A. To examine the present income security system in Australia with the objects of determining the effectiveness of programs now undertaken at all levels of government and in the private and voluntary sectors, and of identifying inadequacies, overlaps and inefficiencies.
- B. To examine options and make recommendations for policy change with respect to income security having regard to :
 - (a) costs, appropriate methods of financing and economic implications;
 - (b) administration, including legislative and staffing implications, (noting that aspects of this are being considered by the Royal Commission on Australian Government Administration); and
 - (c) transitional arrangements associated with any change.

2. In the course of its work the Committee will seek Ministerial guidance on specific objectives for income security and related welfare programs.

3. The Committee shall have regard to the Government's policies for abolition of the means test on age pensions and for the introduction of the National Rehabilitation and Compensation Scheme covering injuries.

4. In carrying out its task the Committee shall include a consideration of:

- (a) the reports that the Government has received or commissioned relating to income security (including in particular the Woodhouse, Henderson, Hancock and Toose Reports and the Priorities Review Staff's Report on Social Welfare Possibilities for Australia) and other relevant information, including that from overseas;
- (b) the relative merits of providing benefits through cash payments, services or a combination thereof;
- (c) the relationship and interaction between the income tax and the income security systems;
- (d) the roles of other Government policies, including employment and wages policies, in the provision of income security;

- (e) the roles of Australian, State and Local Governments and of private and voluntary organisations, having regard for constitutional aspects and any co-operative planning arrangements; and
- (f) the views expressed by consumer groups, voluntary agencies and other interested parties.

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