

Catholic Welfare Australia

Media Release



For immediate release, 8 November 2005

10/2005

Less incentive in the new welfare to work package

“Today’s announcements are welcome changes to the original proposals, as they show that the Government is listening, but they fail to address the major concerns we hold about the package - the lack of incentive for people to move from welfare to work, and unduly harsh penalties for those who get into trouble” said Mr Quinlan.

Mr Quinlan was responding to an announcement made earlier today by Minister for Employment and Workplace Relations, Mr Kevin Andrews, regarding the Government’s proposed Welfare to Work package.

“Let’s take a single parent with one child and call her Jenny¹. Under the current system, if Jenny takes up work of 15 hours a week at \$13.30 an hour and is a recipient of Parenting Payment Single – her disposable income will increase by \$146.00. If she takes up the same work, for the same wage, under the proposed system and is a Newstart recipient – her disposable income will increase by only \$83.00. She earns less – not more. So how does the new system provide a greater incentive to move from welfare to work?” said Mr Quinlan.

“Today’s changes to the welfare to work package show the Government’s compassion towards some single parents by exempting them, or making minor concessions available to them, and this is welcomed, but the system is clearly in need of a complete overhaul, not exemptions.” Mr Quinlan said.

Catholic Welfare Australia has continually expressed concern at the harsh breaching regime being proposed under these reforms.

“Removing a person’s sole source of income for a period of 8 weeks will place extreme pressure on family, friends and emergency relief providers. Most importantly these people do not receive employment services during this period of time. It is our view that these job seekers should receive more, not less service during this time especially given the shared objective of helping these people move from welfare into work,” Mr Quinlan said.

For more information please call: Jackie Brady on 0417 220 779

¹ Harding et al ‘The Distributional Impact of the Proposed Welfare-to-Work Reforms Upon Sole Parents and People with Disabilities’, Paper presented to 34th Conference of Economists, 28 Sep 2005, available on-line at <http://www.natsem.canberra.edu.au/publication.jsp?titleID=CP0514>