



Media Release

13 May 2015

Budget of hit and misses leaves vulnerable families and jobless at risk

“In this Budget, the Government has tried to exorcise the ghosts of last year’s unfair measures, which, had they passed the Senate, would have impacted millions of the poorest in our community. The back down on pension indexation and a less tough unemployment waiting period shows that they are trying to address community apprehensions about their harsh policies,” said Kate Beaumont, President of the National Welfare Rights Network (NWRN) today.

“In the latest Federal Budget there are number of welcome initiatives on the jobs front, but these are undermined by plans to make young people under twenty-five go without income support for four weeks.

“The Government’s tax cuts for small businesses will no doubt be positive for those getting the extra financial assistance. But a tax cut is a poor substitute for the comprehensive jobs plan that this country needs.

“Unemployed people, including parents, mature age job seekers and long term unemployed people will benefit from the suite of positive employment programs announced in the budget.

“A new Youth Transitions to Work Program – suggested in NWRN’s Budget submission – will fill the void left by the removal of the successful Youth Connections scheme last year. The re-design of wage subsidies is positive, as is the four week work experience program. The range of schemes targeting vulnerable young people may result in more effective assistance to get them into work. Extra support for people with disabilities is also welcome, as is the new Job Access Gateway.

“The Government has dropped plans to make unemployed people under thirty wait six months without any income support. However, it plans to make young people under twenty-five wait four weeks to get any payment. This will place young people in severe financial hardship, leaving them without food, medicines, money for job search and rent. No income means no income – whether it’s for six months or four weeks. There is no place in our social security system for such a harmful approach. The Parliament should reject this plan outright.

“Some jobseekers will no longer be allowed to “work off” an eight week penalty. This will mean a return to the bad old days when people were left without support for eight weeks and became disengaged from the employment services system and were



**NATIONAL
WELFARE RIGHTS**
NETWORK

forced to rely on charities to make ends meet. This harsher approach was rejected by the Parliament last year.

“It is disappointing that the Government has opted to continue and expand the wasteful and ineffective policy of Income Management. Money has also been put aside to trial the Healthy Welfare Card in a number of locations. NWRN believes that these funds could be better spent. Families and individuals facing difficulties need extra services, like case management, not a plan to have external management of their meagre income support payments.

“NWRN welcomes the additional investment in child care in the new simpler Child Care Package. However, the cost of increasing child care assistance should not be borne by those parents who can least afford it. Linking the package to the passage of FTB measures still stalled in the Senate is questionable, and risks disadvantaging children.

“The FTB measures before the Parliament, which includes freezes to rates, reductions in supplements and major cuts for parents with a youngest child between age six and sixteen, will impact hardest on low income families.

“With last week’s pension changes, the Government showed that it could listen to community concerns and implement policy reforms that produce fair and sustainable outcomes. These major reforms safeguard revenue and ensure that vulnerable pensioners are protected now and into the future.

“The lesson here for the Government is to now address the adequacy of the Newstart Allowance, which has been ignored in successive budgets over the last two decades. The indexation of all allowance payments also needs to be urgently reviewed. Fairer taxation reforms, including fixing lopsided super tax concessions and negative gearing, must be a priority. The tax measures announced in this budget are a step in the right direction, but much more needs to be done.”

For comment:

Kate Beaumont, President, National Welfare Rights Network, M: 0414 792 923 or

Gerard Thomas, Policy and Media Officer, National Welfare Rights Network: M: 0425 296 882.



NATIONAL
WELFARE RIGHTS
NETWORK