

Thursday, 19 April 2012

Liberal Party welfare cut plan will entrench poverty among vulnerable Australians: unions

Vulnerable people would be left without a safety net and the longstanding Australian tradition of egalitarianism and a fair go would be ditched under a Coalition plan to help the wealthy at the expense of the poor, say unions.

ACTU President Ged Kearney said Shadow Treasurer Joe Hockey's proposal to cut support programs for Australia's most vulnerable people shows the Liberal Party is completely out of touch and clueless when it comes to social and economic justice.

"The Liberal Party's Dickensian 19th century approach to social justice is in complete contrast to community sentiment," Ms Kearney said.

"Unlike Tony Abbott's Liberal Party, most Australians recognise that many in our community need greater support in order to overcome unemployment and be able to contribute to the nation's economy. Many welfare payments in Australia, including the Newstart allowance, are barely enough to survive on."

Ms Kearney said Mr Hockey was either wilfully misleading or ignorant about the true state of Australian public social spending.

"At 16% of GDP, Australian public social spending is lower than the vast majority of OECD countries, including the United States," Ms Kearney said.

"The biggest component of our social spending is on health, so if Joe Hockey wants to significantly reduce Australian social spending, this would have to involve large cuts to Medicare and pensions.

"We know the Liberal Party is champing at the bit to take away workers' rights and now we have evidence it is also gearing up to take away the rights of those who are not fortunate enough to even be in the workforce.

"Smart leaders know that there are real and complex reasons why people are on welfare and that cutting the support and telling them to 'go it alone' is no solution.

"All that will do is further grow the divide and entrench generational poverty among those who are capable of turning their lives around, as long as they have support to do so."

In its submission to the 2012-13 Federal Budget, the ACTU has called for the Newstart Allowance to be lifted to parity with the Age Pension.

The first step should be to increase the single allowance, which 60% of recipients receive, by \$47.82 a week to \$282.67 a week.

"The Newstart Allowance for a single person is currently disgracefully low at just 18% of average weekly ordinary time earnings," Ms Kearney said.

Media contact:

Rebecca Tucker ph (03) 9664 7359 or 0408 031 269; rtucker@actu.org.au