

Charity accuses government of immoral laws

The St Vincent de Paul Society have taken a moral stand by refusing federal funding for the new welfare-to-work compliance regime saying the law is "immoral and unjust". The welfare agency's national director of social policy, Dr John Falzon, said the agency would continue to help people "breached" under the laws, but will not accept government money.

The new compliance system will be introduced for income support recipients from 1 July 2006 under the Welfare to Work package. Those who do not comply with the participation requirements or leave a job voluntarily may be faced with an eight week non-payment period. The new regime will apply to all people on activity tested payments, including people with disabilities who are deemed capable of working between 15 and 29 hours a week.

In the new compliance regime there will effectively be two groups of "failures", which lead to different penalties: a "more serious" offence, which will lead to an immediate non-payment period of eight weeks; and a "participation failure", which could lead to suspension of payment until compliance with the original, or a similar, requirement. A "more serious offence" occurs where a person:

- is unemployed due, either directly or indirectly, to a voluntary act;
- is unemployed due to misconduct;
- has refused, or failed, without a reasonable excuse, to accept a suitable job offer;
- fails to commence, complete or participate in an "approved program of work";
or
- fails to comply with the conditions of the "approved program of work".

Clearly this raises major concerns for people with a mental illness who may find it difficult to meet the participation requirements at certain times due to unexpected episodes of mental illness, which may not always be recognised as a 'reasonable excuse' by Centrelink staff.

The Government has acknowledged that the non-payment policy may result in people being without money for food or to pay the bills. Consequently, people who are breached but deemed to be extremely vulnerable, will be referred to the churches and charitable organisations to receive one-off payments of up to \$650 to manage their cases.

Not surprisingly the plan has outraged the welfare sector, which believes Centrelink's job is to case-manage those breached. With the expected costs of providing case management services it is hard to say what the benefit of such a system would be. Furthermore, forcing people to go to a charity will not add dignity or give hope and self-esteem to people trying to move from welfare to work.

As John Falzon has pointed out, rather than providing a workable framework for people to move into the labour market, people are being shifted from one welfare payment onto another lower payment. He has stated that, “We maintain that the entire welfare to work legislation takes away dignity, and does not offer hope to the people who really need the opportunities to be able to engage in the workforce and in society.”

The National Welfare Rights Network has more information available on the Welfare to Work package at: www.welfarerights.org.au/index.htm